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John Frankland Bagshaw

Born June 2nd. 1893.

Entered service November 1912.



INSTRUCTIONS

FOR THE

GOVERNMENT OF THE OFFICERS

OF

THE BANK OF BRITISH NORTH AMERICA

*As this Book contains particulars of the terms on which the
Bank undertakes certain branches of its business, the
contents must be considered as confidential,
and the Book must be kept locked
up when not in use.*

Montreal:

MORTON, PHILLIPS & CO., PRINTERS.

1909

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PREFACE

It is intended to present in a concise and condensed form, the various instructions which have from time to time been given by the Court and the General Manager, for the guidance of the officers.

As new instructions are issued they are to be recorded in this book. A catchword on the margin of the circular will show the form in which they are to be registered in the index.

Each Officer will be furnished with a copy having his name on the title page, and he must be prepared at any time to produce it to the Inspector or Assistant Inspector, or such other officer as may be deputed by the Court, or the General Manager, to visit the Branches and Agencies of the Bank. The Accountant, or, at Branches where there is no Accountant, the Manager, will see that the officers make themselves familiar with the contents.

This book is the property of the Bank, and must be returned by the officer holding it should he leave the service.

The various Managers and Agents are held responsible for the carrying out of any instructions given in circulars whether issued by the Court or the General Manager.

The Accountant, or, at Branches where there is no Accountant, the Manager, must see that the circulars are initialled by each officer as evidence of his having read them, and of having written up his Instruction Book therefrom. Advice of same to be sent to the Superintendent of Branches.

In this Book, wherever the Accountant's name is mentioned, in connection with certain duties, the duties therein referred to, will devolve upon the Managers at those Branches where there is no regularly appointed Accountant.

This Book contains the Instructions issued up to and inclusive of Circular No. 973 of 22nd July, 1909.

OFFICERS.

Attendance.

1. Each officer is required to be at his post at 9 a. m., and shall not leave it without permission until the work of the day is completed.

Nightwork.

2. It is intended that the staff at each Branch or Agency shall be such, that the work, if properly divided, can be accomplished so as to allow the officers to leave within two hours of the close of public business, but should any exigency render it necessary, every officer will hold himself ready to return in the evening whenever called upon to do so.

Nightwork remuneration.

Whenever the Bank opens an office to the public in the evening, the officers on duty may be granted an overtime allowance of 35c. per hour, the total allowance not to exceed 75c. for any one officer.

Holidays.

3. Every officer of the Bank may be granted fourteen days leave of absence each year, the date of his departure and return being reported to the General Manager in the official letters. Officers who have been less than a year in the service in North America are not entitled to a holiday. Managers and Agents may be allowed three weeks' holiday during the year; also Accountants of 10 years' standing.

4. Officers taking their annual vacation between January 1st and March 31st, or between November 1st and December 31st, may, on application, be allowed an extra week, but it must be understood that such vacation has to be completed within those dates.

5. When the holidays have commenced they must be continued without intermission until they have been completed.

**Furlough to
visit Britain.**

6. Officers of 10 years' standing may, on application, be given three months' furlough in the summer to visit Europe or otherwise, but should furlough be taken in winter, then four months' leave may be given.

7. When an officer is allowed leave of absence and visits Great Britain, he shall report himself on his arrival to the Secretary by letter, and in the case of a Manager, he shall arrange to present himself to the Court as soon as convenient after his arrival. Any change in the address of an officer on leave of absence in Great Britain should be communicated to the Secretary. Officers spending their furlough elsewhere than in Great Britain must keep the General Manager advised as to their address. Payments on account of salary to officers on leave of absence in Great Britain shall be made through the London Office only.

**Absence
from duty.**

8. Whenever an officer is absent from his duty, from sickness, or any other cause, immediate notice must be sent to the General Manager. In case of sickness, a doctor's certificate must also be sent.

**Absence of
Manager.**

9. No Manager or Agent is to leave his Branch or Agency without first getting the sanction of the General Manager; and whenever a Branch or Agency is left by the Manager or Agent, even temporarily for a day or two, that officer must hand over formally to the Accountant or to the officer who is to act as Manager or Agent, the whole of the treasury cash, securities and bills, instead of leaving the key sealed up, to be opened only if extra cash or bills should be required. Where combinations are used, new combinations must be arranged and particulars sent by separate mails to the Superintendent of Branches or to another Branch, according to instructions in force.

Officers on long leave are entitled to draw salary only and not special living or other allowances applicable to the Branch at which they may happen at the time to be serving.

CIRCULAR NO. 981. August 26th, 1902.

Officers must arrange for their entire Leave with the General Manager before sailing, and are not on any account to apply to the Court upon their arrival in England for an extension of leave.

Other officer
acting for
Manager.

10. Should the Manager have occasion to be absent and another officer be appointed to act for him, the former shall on his return send a written report to the General Manager stating therein that he has carefully examined the transactions which have taken place during his absence, and expressing his approval or disapproval of the same, together with his reasons in cases of disapproval, and shall forward a copy of such report by the first mail to the Court in London.

Signing of
documents.

11. All documents issued to the public, such as Bills of Exchange, Drafts, Deposit Receipts and Credits, must bear the signature of an appointed Manager or an appointed Accountant, or of an officer authorized by the Court or the General Manager to act for either of them with special power to sign. An Acting Accountant who has not been appointed cannot act as a Manager, unless under exceptional circumstances, but may occasionally sign "pro Manager" if necessary to avoid causing delay to the Bank's customers. The permission of the General Manager must, however, first be obtained. When a change is made in the signing officers at a Branch, a new card of signatures must at once be filled out and sent to each of the other branches.

Current
Accounts.

12. No officer under the rank of Manager is allowed to keep a Current Account with the Bank.

Guarantee
Bonds, &c.

13. Each officer on joining the service is required besides giving the usual bond of guarantee, which must be that of the Colonial and Foreign Banks Guarantee Corporation, to sign an agreement and a declaration of secrecy; the latter is not designed to check the confidential communications of Managers in the interests of the Bank.

**Messenger's
Guarantee.**

14. The security of a Canadian Guarantee Company will be taken for the Messengers, and the premiums will be paid by the Bank.

**Travelling
Expenses**

15. When officers are moved from one Branch to another, their travelling expenses will be defrayed by the Bank, but due economy must be exercised. One day's expenses at an hotel on arrival are allowed.

**Approval of
Travelling
Expenses.**

16. Before paying an officer's travelling expenses, the local Manager must send a statement in detail to the General Manager, for his approval, first, however, satisfying himself as to the correctness of the charges made and initialling the slip.

**Travelling
Expenses
London to
Canada.**

17. Clerks on entering the service in London (England) will be allowed £5 for travelling expense. No detail of expenditure will be asked for, and no excess over the above amount will be allowed.

**Debt, Gamb-
ling, &c.**

18. Officers becoming involved in debt, frequenting gambling houses or billiard rooms, dealing or speculating in stocks, etc., or found to be guilty of any immorality, will be dismissed from the Bank's service.

**Marriage of
Officers.**

19. No officer of the Bank is allowed to marry without the sanction of the Court, until he is in receipt of a salary of \$1,000 per annum, exclusive of allowance.

Bank House.

20. The Bank House is for the use of the Manager and his own family; any request from Managers for relatives to be allowed to reside in the Bank House will be decided by the General Manager on its own merits.

This applies also to officers (other than Managers) who may occupy the Bank House.

GENERAL MANAGER'S CIRCULAR #XY 1081.

Alteration of Rule #16. to read as follows;

"Before paying an officer's travelling expenses, the Manager must send a statement in detail to the superintendent of Branches for his approval, first, however, satisfying himself as to the correctness of the charges made, and initialing the slip.

The Branches in Central Canada will send their slips to the Superintendent of Central Branches."

Nightly
examination
of premises

21. The officer occupying the Bank House shall visit the office and cellars every night, examine the vault door, see that all unnecessary fires and lights are extinguished, that the doors and windows are properly fastened, and that the books, vouchers, etc., have been put into the vault.

Examination
of premises on
Sundays and
holidays.

22. On Sundays and on Bank Holidays, the office must be inspected during the day, and the vault door examined. Under no circumstances may the Bank's premises be left without some one in charge, especially on Sundays, etc. The back or private entrance to the premises must always be kept locked.

Remunera-
tion for Bank
guard.

23. Officers keeping guard on Bank holidays, not including Sundays or Civic Holidays, will be allowed remuneration¹ at the rate of \$1.00 (One dollar) for the day.

Connection
with outside
trade or
business
prohibited.

24. The officers of the Bank are precluded from entering into any trade, mercantile business, agency or office whatsoever, whether in their own name or that of others, or from receiving directly or indirectly while in the service of the Bank any commission or remuneration for business done by other parties.

Perquisites,
fees and
gratuities.

25. It is to be clearly understood by every officer connected with the establishment, that no perquisites whatever are on any pretence to be demanded or received; and that the demand or receipt from the public of any perquisites, fees or gratuities whatsoever, will be considered an offence of such a nature as to call for the dismissal of the party so offending.

Manager
assuming
charge.

26. On assuming charge of a Branch, the Manager shall count the cash, balance the bills, balance and examine the securities held for the Bank and

for private parties, satisfy himself that the books are balanced, peruse the correspondence of the Branch with the Court and the General Manager for two or three years previously (and further back at his leisure), and report to the General Manager that he has done so. He should also examine the Character Book and report to the General Manager whether it is in a complete and satisfactory condition.

Examination
for Account-
antship.

27. Before an officer is promoted to the rank of Accountant, he shall be ready to undergo an examination with a view of establishing that, besides being competent to discharge the duties peculiarly devolving upon him, he is also qualified to assume the superior position of Manager, should he be required to do so. The subjects which will naturally form the groundwork of this examination are:

(1) The history of Banking and the mode in which it is conducted, particularly in North America.

(2) The theory of Exchange and the position of the Exchanges of British North America, with European nations, and the United States.

(3) Law respecting Bills, Partnerships, Powers of Attorney, Letters of Credit and of Guarantee.

(4) The Currency, Banking system, and the trade of the country in which he has been employed, and the character of the business transacted at the Branch where he has been stationed.

List of books contained in the Bank Library for reading in connection with the above examination:—

Bank Act, The Canadian.

Banking, Buillionon

Banking, Gilbert on
 Banking, McLeod on
 Bills of Exchange, Byles on
 Bills of Exchange, Chitty on
 Bills of Exchange Act, The Canadian
 Cabinet Lawyer, The
 Commercial Dictionary, McCulloch's
 Country Banker, The, Rae
 Exchange, Theory of, Goschen's
 Law of Bankers, Grant's
 Lombard Street,
 Mercantile Law, Smith's
 Political Economy, Mill's
 Wealth of Nations, Smith's.

**Accountant's
 duties.**

28. Besides the general duties devolving upon him in virtue of his office, the Accountant shall examine all the statements that leave the office and be responsible for their correctness, and prompt despatch; write the Waste Book; see that all the vouchers, including customers' cheques, are properly arranged and filed away; examine the contents of the letters to be despatched and close them up; preserve custody of the Bank's Seal; take charge of the Branch Library and of the revolvers.

Note.—At the larger Branches a portion of the Accountant's routine duties may be undertaken by another officer, with the sanction of the General Manager.

**Officer acting
 for Teller.**

29. When the Manager requires a clerk to act as Teller temporarily, he must first submit his name to the General Manager for approval, except in cases of sudden emergency, and in such cases the change must be advised immediately.

Advice of
changes in
Staff.

30. All changes in the staff are to be advised to the General Manager.

Teller's "risk
money."

31. In all cases where it is considered that a teller's post is of sufficient importance and responsibility as to call for an allowance as "Risk Money," the authority of the General Manager must first be obtained before granting same. This allowance will be credited to a current account, "Manager, o/a John Smith, Risk Account," to bear 5 per cent. interest. This account may be debited on approval of the General Manager with any losses made by the Teller (the Manager alone being authorized to draw upon it), and the balance at credit, if any, handed to him on his leaving the telling table permanently, or quitting the service of the Bank. When a Teller is removed from one Branch to another, the amount of "risk money" at his credit will be transferred to the Branch to which he proceeds. Officers will not receive risk money during their absence on holidays or otherwise, but only while they are performing the Teller's duties.

Money not
to be received
by officers
other than
Teller.

32. In the event of a Teller receiving money for deposit to a customer's account, or in payment of Collection Bills or Discounts, from any officer of the Bank not entitled to receive such moneys, the fact is to be at once reported to the Manager, and any Teller failing to do so will be held responsible by the Bank.

Junior Clerks
not to be
placed in
responsible
positions.

33. No clerk under age, or in receipt of a smaller salary than \$700 per annum, is to be placed in any responsible position, such as Teller, Ledger Keeper, etc., without his first expressing his willingness to undertake such duties, and without the authority of the General Manager.

BOOKS.

TELLER'S CASH BOOK.

How written
up.

34. This book shall contain a record of every transaction entered into by the Teller, and as far as possible the entries should be made in the order of time in which the transactions took place.

Entries for
cash.

35. The Manager, in giving out the cash, shall see that the Teller charge himself with it as a first entry, and if it become necessary to withdraw cash from the Treasury, that it also be similarly entered.

Erasures and
blank lines.

36 Every entry must be made clearly, and no erasure should appear in this or any other book, or blank lines be left.

Particular-
izing trans-
actions.

37. The Teller ought to mark on the margin any particulars of a transaction not exhibited in the voucher or vouchers paid, which would aid his memory in recalling it, such as the amounts of specie or the particular denomination of notes used to make a payment, etc. The Teller may obtain the assistance of another clerk to sum and balance this book in pencil, but every entry or alteration in it, as well as the ruling off, must be made by himself before he leaves the office for the day. He must stamp all debit vouchers "Paid," with date and his number, as "1" or "2," and also deface the signature, which, however, must not be rendered illegible.

TELLER'S BLOTTER.

Contents of
Teller's cash.

38. This book is intended to contain a record of all cash composing the daily balance in the Teller's hands, which must be therein specified in detail. Nothing should appear in this record which is not actually cash, excepting bona fide cash items, such

s cheques and accepted bills to be deposited next business day in other local Banks, Post Office Orders, or Express Companies' Money Orders, matured coupons, etc. The Tellers must not on any account, hold in their cash any debit slips, temporary vouchers for payment of money, cheques (other than specified above), or I. O. U's., and no Manager, Accountant or other officer shall request any Teller to so hold over items in his cash.

TREASURY SAFE BOOK.

39. This book, which must lie in the cash vault, should contain a record of all cash and unissuable notes in the Treasury, also a memorandum as to the custody of the duplicate keys of the safe. The entries in this book must be signed by both Manager and Accountant.

CASH BOOK.

40. This book, which must be closed and balanced every afternoon before the officers leave for the day, contains an entry to represent every receipt or payment by the Teller, classified, for convenience, in the order of the Branch and General Ledger Accounts, which are posted from this book.

41. This book is written from the vouchers received from the Teller. Where totals are transferred from subsidiary books the Accountant must satisfy himself as to the accuracy of such totals, and initial them as evidence of having done so.

42. The entries should be neatly made and clearly expressed, and should supply all the information necessary for posting the Ledgers.

43. Opposite the entries to Current Accounts, the folio of the Individual Ledger should be copied from the vouchers.

Record of
contents of
Treasury.

When closed.

Contents, how
arranged.

How written.

Entries must
be explicit.

Current
accounts.

Cash balance.

44. The balance of this book should agree with that of the Tellers Cash Book added to the amount of cash in the Treasury, as shown by the Treasury Safe Book.

Custody of vouchers.

45. The Accountant will keep charge of the vouchers till handed to the Manager.

Comparison by Manager.

46. The Manager, on the following morning, shall check the entries and summations of the Cash Book, see that the totals from subsidiary books are correctly transferred, and the proper amounts charged to the other Banks from the Teller's cash, of the day preceding, and compare the entries of Drafts and Deposit Receipts drawn, Cheques, and Remittances received and despatched, etc., with Registers. He shall then cancel the vouchers and hand them to the Accountant to be filed away in the vault. The Accountant gives the cheques to the Individual Ledger Keeper to arrange.

Vouchers.

Stamping of "paid" documents.

47. In stamping "Paid" documents the Tellers must be careful to place the impression on a part of the Deposit Receipt, Cheque or other document where it does not interfere with the signature or amount. Care must also be taken to see that the impression is quite clear and the date distinctly legible. Should a date require alteration a new impression of the stamp with the proper date should be made, and the wrong impression cancelled. On no account should the date be altered in writing.

Debit slips.

48. "Debit" slips must be initialled by either the Manager or Accountant before being put through the books. Should the slip contain more than one entry each item must be initialled separately.

Waste
Book.

WASTE BOOK.

49. This book, which is written by the Accountant, is designed to record transactions between Ledger accounts not involving any payment of cash, and where frequently no vouchers exist to warrant the entries. It must therefore be written so as to express each transaction clearly, giving date, authority, and all particulars necessary to make it intelligible to any one. The additions must be inserted at the foot of each page, and at the close of Returns.

Entries in.

LEDGERS.

50. Every entry in the General and Branch Ledgers must be taken either from the Cash Book or Waste Book, and as posted daily the folio of the Ledger should be placed opposite each entry.

Summation
of Ledgers.

51. All the Ledgers, General, Branch, Banks, Individual, Savings, and Discount Progressive, must be summed in red ink and proved at the close of each Return.

Correction
of errors.

52. On no account, whatever, are any entries to be made in the books on the verbal instructions of any officer. All entries in the Cash Book, Individual and Savings Department Ledgers must be represented by vouchers, or items in the subsidiary books and registers, initialled for by the duly qualified Officers, or through the Waste Book.

53. If errors are made in posting the Ledgers or in extending the balances, every balance wrongly extended must be corrected, and not merely the last balance. The Ledger Keepers must understand that the balances are not extended for their own convenience, but in order that the true course of the account may be seen at any time.

RIACULAR NO. 1220.

(Bank Premises Accounts)

Bank Premises Expense Account

Bank Premises Revenue Account.

It has been decided that the above accounts should be consolidated into one account to be known as "Bank Premises Expense & Revenue Account". Please make the necessary entries, closing out the old accts. and opening the new one. A statement showing all the entries is to be forwarded half-yearly to the Court and a copy to the Superintendent of Branches.

Loose leaf
Ledger
binders.

54. If the Binders of the Loose Leaf Ledgers do not securely lock the leaves in, advice is to be sent at once to the Superintendent of Branches.

LEDGER OF INDIVIDUAL ACCOUNTS.

How posted.

Deposit
vouchers.

55. This book is the record of the daily operations upon the Current Accounts of Customers at the Branch. It is posted from the vouchers and the Waste Book. When a deposit has been made at the counter, the voucher, which must be signed by the depositor, is passed by the Teller to the officer in charge of this book, who, after seeing that it is duly initialled by the Teller, enters it to the credit of the customer, marking the folio of the Ledger on the left hand top corner of the slip, but officers are forbidden on any pretext whatever to make entries in customers' passbooks of either deposits or cheques unless they are first entered in the Individual Ledger, and these instructions also apply to entries in Savings Department Pass Books.

Cheques.

56. Cheques upon Current Accounts must be first presented to the keeper of the Individual Ledger, who charges them to the drawers, entering the number, which should correspond with the number of Cheque Book issued, and any necessary particular, and then stamping them "Accepted," marks them with the Ledger folio of the account and his initials as an authority for payment. The Ledger-keeper's initials must be written in a bold hand immediately over the amount in writing, as an obstacle to fraudulent alterations.

57. The Individual Ledger Keeper's "Acceptance" Stamp must be kept in his custody during the day, and must be locked up over night.

Cheques
marked
"negotiable
at par."

58. No officer below the rank of Accountant has authority to mark any cheques "Negotiable at Par" at any of the Branches of the Bank.

59. Customers' cheques, which are crossed "Negotiable at Par" at another Branch (which crossing is to be initialled by the Manager or Accountant) must in all cases be first charged up to the customer's account in the Individual Ledger, and the commission collected by the issuing Branch. This rule does not apply to those customers who have been duly authorized to mark their cheques "Negotiable at Par at any Branch of the Bank in Ontario, etc."

Particulars as
to account.

60. The address and full names of each customer should be given at the head of his account, his occupation, and if a firm, the full names of the partners; in the case of companies, also the full names of the executive officials and directors; also Powers of Attorney, when granted, with names of parties in whose favour, and any special instructions, as for instance, authority to charge the account with notes and acceptances or dishonoured discounted bills.

Letters of
authority
from
customers.

61. Authority to charge customer's accounts with notes and acceptances domiciled at the Bank, and dishonoured discounted bills, should be obtained on the forms supplied by the Bank.

Notes and
acceptances.

62. Where authority has been received from the customer to charge his account with his notes, and acceptances as mentioned above, it is not necessary to obtain a cheque in substitution.

Dishonoured
discounted
bills.

63. In no case must a dishonoured discounted bill be charged to a customer's account without the

Rule 60 A. Page 18.

When a current account is opened in the name of two or more parties, and it is desired that the monies deposited therein be "payable to either or Survivor", each party must sign the form of Agreement for Joint Accounts No. 305, which form is to be kept in the custody of the Accountant, or Manager at the Branches where there is no Accountant.

S.O.B. 8 241, June 6/17.

authority of the Manager or Accountant, who must signify the same by his initials.

**Cheques in
substitution.**

64. Dishonoured bills or pro forma cheques charged to customers' accounts must be retained by the Manager or Accountant, and prompt notice of the same must be sent to the customer. It is desirable, where possible, to obtain cheques from the customers in substitution. Such cheques should be payable to the order of the Bank and are to be stamped with the Teller's "PAID" stamp of the same date as the original entry. It is, however, left to the discretion of the Manager to waive the question of getting cheques in substitution where he considers it advisable to do so, but in such cases the balances should be verified and the vouchers given up at the end of each month. Care must be taken to see that dishonoured discounted bills are not cancelled or stamped "paid."

**Verification
of accounts.**

**Accounts
with law
firms.**

65. In opening an account with a firm of Barristers, Solicitors or Attorneys it is necessary to take a letter from the partners as individuals, that they will be personally liable for all transactions with the Bank in the name of the firm, by whichever partner carried out.

**New
accounts.**

66. No new account must be opened without the Manager's authority. Before accepting the accounts of cities, towns, municipalities or incorporated companies, it will be necessary to send copy of the by-laws to the Bank's Solicitor to ascertain the borrowing power and what persons have power to bind the corporation by their official acts, advising the General Manager that this has been done, and

procuring his authority for advances, before granting same.

Interest on
current
accounts.

67. No interest is allowed on Current Account balances without the authority of the General Manager.

Pass books.

68. Every customer opening an account in the Ledger, must receive a Pass-book with printed notice inserted, and a book of cheques. The Pass-books should be collected from the customers at the end of each month, written up and balanced, and the balance compared by the Accountant with the Ledger, and initialled by him in both books. These books, after being balanced, should be ready for delivery to the customers on the first business day of each month, and on no account, either then or at any date during the month, must any delay occur in entering up and returning these books whenever they are applied for by the customers.

Recording
numbers of
cheque books.

69. In giving out books of cheques, which are supplied to customers only, a record must be preserved of the printed numbers upon the cheques and the party to whom issued.

Chemically
prepared
cheques.

70. The Bank supplies its customers with cheques chemically prepared to prevent fraudulent alterations. The Managers will, therefore, see that these cheques alone are used by the customers.

Custody of
paid cheques.

71. The cheques against Current Accounts must be kept by the Individual Ledger keeper, who shall see that they are given up to the customer.

Verification of
customers'
accounts.

Surrender
of vouchers.

72. Customers' accounts are to be certified and cheques and other debit vouchers given up at the end of every month, after the Individual and General Ledgers have been balanced, and the balance of the account has been compared by the Accountant with the Pass-book. Where not deemed advisable, monthly verifications and surrender of vouchers may be waived, but quarterly verifications must be obtained. The docket acknowledging receipt of the vouchers and certifying the correctness of the account must be signed by the customer or his attorney. These dockets, for six years back, should be kept in the vault. Vouchers relating to accounts which are constantly or frequently overdrawn, must not be given up against the ordinary voucher receipt, for the reason that if the Bank has to sue for a balance, it would require to prove the account, and in the absence of vouchers, such a process might be difficult. It will be well, therefore, to obtain from customers from time to time, say at the end of June and the end of December, each year, a note to cover their overdraft, as by so doing the Bank will thus have an acknowledgment of the obligation which will facilitate and strengthen the Bank's proof, without having to prove all the operations of a long, outstanding, overdrawn account.

Cross entries.

73. No cross entries are permitted in this or any other book without the authority of the Accountant by an entry in the Waste Book.

Daily
comparison
of entries.

74. Before the commencement of business, every entry in the Cash and Waste Books on the previous day to the credit or debit of Current Accounts, must be compared with the Ledger by the Accountant

(at large Branches by the Assistant Accountant or Chief Clerk, at Branches where there is no Accountant, by the Manager), who will employ an officer to assist him other than the Teller, Individual Ledger keeper, or Cash Book keeper, if there is one available at the Branch.

Errors.

75. A book should be kept in which should be entered all discrepancies discovered, and all alterations made by the Individual Ledger keeper himself.

Balancing pass-books.

76. All the officers, except the Teller, may be called upon to assist in balancing the customers' Pass-books.

Change of ledger keeper annually.

77. The Individual Ledger Keeper should be changed once a year, and the change reported to the General Manager.

Balance of Individual Ledger.

78. The balances of the Individual Ledgers at the middle of the month must be taken out by an officer other than the Individual Ledger Keeper.

Comparison of balances.

79. The Accountant must compare the balances in the Balance Book with the Ledger at the close of each Return, check the summations and initial the totals.

Inoperative accounts.

80. Balances of Current Accounts, which have not been operated upon for one year, must be transferred to the Montreal Branch half-yearly so as to reach there one week before the end of June and one week before the end of December. The parties entitled to inoperative balances should, if possible, be notified to withdraw them. (See Rule 113.)

DEPOSIT RECEIPT REGISTER.

81. This is the record of deposits bearing interest under receipt, subject to repayments after notice.

**Deposit
Receipt
Register.**

82. The Register should contain the full name and address of every depositor, and the initials of the officers signing as Manager and Accountant. The Accountant must examine the entry in the Deposit Receipt Book, and countersign the Receipts before they are presented to the Manager.

**Payment of
Deposit
Receipts.**

83. When Receipts are presented for payment it is the Accountant's duty to compare and initial the endorsement, check the interest, and mark the Receipt off the Register. He will also initial on the Receipt the amount to be paid.

**Daily
comparison
of entries.**

84. When calling over the Cash Book in the morning the Accountant must see that the Deposit Receipts paid on the previous day have been properly marked off in the Deposit Receipt Register.

**Partial
withdrawals.**

85. In case of a partial withdrawal, the old Receipt must be given up, and a new one issued, interest being paid on the old receipt up to the time of withdrawal.

**Payment of
interest.**

86. When interest is paid on a deposit the old receipt should be given up in the same manner, but should any large and valuable depositors, who may find it inconvenient to attend at the Bank with their Receipts, request that interest be paid to them without production of the Deposit Receipt, the matter may be referred to the General Manager.

**No interest
under one
month.**

87. No interest is allowed unless the money is left for one month.

**Deposit
Receipts of
other
Branches.**

88. Deposit Receipts of one Branch must not be paid at another without authority from the Branch where the Receipt was issued.

Deposit
Receipts
payable to
either.

89. Deposit Receipts may be issued to parties "payable to either" when so desired; but such depositors must sign the form of agreement supplied by the Bank, as to the payment of the proceeds to whichever one of them presents the Deposit Receipt, giving a legal discharge to the Bank. This form must be gummed to the back of the Deposit Receipt when paid.

Maximum
amount to be
taken from
one depositor.

Cultivation
of Deposits.

90. While the Bank is anxious for the Managers to cultivate the extension of the Savings Department Accounts as well as of the issue of Deposit Receipts, it is equally desirous to see the money secured on the best possible terms, and the special attention of the Managers is therefore directed to the desirability of small amounts widely spread. No limit is imposed by the Bank for the limit of any one account or deposit, but when the amount is large, or not likely to remain long in the Bank, Managers should endeavor to have the amount placed in Current Account, and only when it is found that such a course would be impracticable and that the connection would otherwise be lost, does the Bank wish such amounts taken on Deposit Receipt or in the Savings Department.

Index to
Deposit
Receipt
Register.

91. An index to the Deposit Receipt Register must be kept, showing the names of depositors and the numbers of the receipts issued to them. This index must always be kept closely written up and the numbers should be marked off as the Receipts are paid.

Notice of
reduction
in rate.

92. When it is necessary to notify depositors of a reduction in the rate of interest, such notice must be sent by registered mail.

Lost Deposit Receipts.

93. When a claim is made for the payment of a Deposit Receipt which has been lost it will be necessary to obtain all the information regarding the lost Deposit Receipt, and forward the whole of the particulars to the General Manager for decision as to treatment, together with the form of Bond of Indemnity, provided by the Bank, duly filled up.

Illiterate depositors.

94. The practice of taking "pass words" from illiterate depositors must be avoided, as experience has shown that this method of identification cannot be relied upon. In cases where the parties desiring to deposit money at interest are unable to sign their names, it will be necessary to keep on record a full description of the depositor, which must include not only such particulars as the height, colour of the eyes, etc., but also some noticeable feature or peculiarity which would serve as a sure means of identification after an interval of years. If such details cannot be procured, the money must not be taken.

Notice of withdrawal.

95. The Bank reserves the right to demand fifteen days' notice before paying the whole or any portion of a Deposit Receipt. In default of notice fifteen days' interest on the amount withdrawn must be deducted.

Deposit Receipts accompanying application for charter of incorporation.

96. Applications for Deposit Receipts or Certificates of Deposit made by parties who are applying to the Dominion Government for a charter of incorporation under the "Companies Act," and who wish to forward such receipt or certificate with their application to the Government, as evidence that a portion of the subscribed capital has been paid up, must be referred to the General Manager, with advice whether the actual cash has been deposited.

Extract, from G.M.C. 1275, Jan. 14th/14.

"the responsibility for the whole cash resting upon the Manager, the term "examine" when applied to it must be considered to imply such an investigation as would satisfy him that there could not be a deficiency of \$100 in the Tellers cash, when placed in the vault at the close of the day.

"Once a month at irregular intervals, on a day decided by the Manager and not communicated to the Staff until after the cash has been balanced for the day, the Manager will count the tellers cash in detail, and certify in the Tellers Blotter that he has done so.

"This examination is to be in addition to that made on the fortnightly balance days.

Quarterly
calculation of
interest
accrued.

97. When calculating the amount of interest due on Deposit Receipts at the end of each half year for the purposes of the Profit Statement the checking must be done by a senior officer, and the correctness of the result must be tested by a separate calculation made by the Accountant from the Deposit Receipt Accounts in the General Ledger. Any differences of more than a small amount must be investigated and put right, so that there may be no doubt of the accuracy of the figures on the Profit Statement.

SAVINGS DEPARTMENT LEDGER.

98. This book is the record of the daily operations upon the accounts of Savings Department depositors at the Branch. It is posted from the vouchers. (See Rule 102.)

Savings
deposits.

Savings
withdrawals.

99. When a deposit has been made at the counter, the voucher, which must be signed by the Depositor, is initialled by the Teller and passed by him to the Ledger keeper, who makes the necessary entry in the Ledger, then in the Customer's Pass Book, marking the folio of the Ledger on the left hand top corner of the slip. When customers desire to make withdrawals they must apply first to the Ledger keeper, who will furnish a form of receipt to be signed. This receipt, after having been entered in the Ledger and then in the Customer's Pass Book, is marked with the folio of the account and initialled by the Ledger keeper, and then passed by him direct to the Teller for payment. Savings Department receipts, after having been verified, must not be handed out again to customers.

Removable
Leaf Per-
petual Ledger.

100. In using the Removable Leaf Perpetual Ledger, which has been adopted for the Savings Depart-

ment, it will be necessary to employ numbers as well as names for the accounts, and the number of the account must be inserted on each deposit slip and withdrawal slip, besides being recorded in the Pass Book, which must not bear the name of the depositor. The leaves must run in numerical order and an index must be kept, giving the number of the account after each name. Each sheet is to be used for one account only, and when filled up, or the account closed, must be taken out and filed away in the binder. New accounts are to be numbered consecutively.

**Specimen
signatures.**

101. Specimen signatures of Depositors in the Savings Department are to be placed on the upper left hand corner of the Ledger sheet on which the account has been opened.

**Full particu-
lars required
of Depositors.**

102. In heading up Savings Accounts care must be taken to see that ample particulars regarding depositors are given. These particulars must include the full name, occupation and address of the depositor, including street and number, if such form part of the address, as e. g., "John Henry Smith, Machinist, 1525 Notre Dame Street, Montreal." If the depositor is a woman the heading of the account must, in addition to the above particulars, show whether she is married or unmarried, as e. g., "Mrs. Mary Jane Brown," "Miss Ann Robinson." In the case of a married woman she must be further described as the "wife (or widow) of so and so." It is the duty of the Accountant, or the officer discharging the duties of the Accountant, to see that these instructions are carried out.

**Savings Ledger
and Binder
Keys.**

103. The keys of the Savings Ledger and Binder must be kept in a joint custody compartment of the

Rule 102 A. Page 27.

When a Savings Account is opened in the name of two or more parties, and it is desired that the monies deposited therein be "payable to either or survivor" each party must sign the form or Agreement for Joint Accounts No. 405, which form is to be kept in the custody of the Accountant, or Manager at Branches where there is no Accountant.

3.03.8.241 June 6/7

safe under the charge of the Accountant or Manager. When it is necessary to change the leaves this must be done by the Manager or Accountant in the presence of the Ledger-keeper. Not more than 500 leaves should be filed in any one binder.

Balance of
Savings
Ledger.

104. The Savings Department Ledger must be balanced at the general balance day in the middle of each month and on June 30th and December 31st each year, by an officer other than the Savings Ledger-keeper, but it will not be necessary to list the balances in the Monthly Returns.

Savings
Department
cheques.

105. Savings Department cheques may be allowed where necessary to secure new business, or retain old, but care must be taken to endeavour to restrict their use to as small a number as possible. (See Rule 99.) If an account is too active, it is to be transferred to Current Account Ledger.

Certification
of cheques.

106. In no case are Savings Department cheques to be certified.

Interest—how
calculated.

107. Interest is to be calculated on the minimum monthly balance and credited half-yearly, and may be allowed from date of first deposit.

Officers'
Accounts.

108. Officers may be permitted to keep accounts in the Savings Department, and in order to promote a spirit of thrift and economy among the members of the Staff, the Court of Directors have authorized the payment of interest on Deposit Receipts or Savings Accounts of those in the employ of the Bank as follows:

On amounts under \$200	4%
Over \$200 and up to \$2,000	5%

Any amount in excess of \$2,000 to bear interest at the current rate for deposits from the public.

CIRCULAR NO. 1009

Officer's Savings A/cs are to be kept
in a separate part of the Savings Dept.
Ledger, and are to be represented in the
General Ledger in an account by themselves

Pass Books.

109. The Pass Books contain printed rules which have been laid down for the guidance of the public and care must be taken to see that these rules are not departed from. The supply of blank Savings Department Pass Books, which are now numbered, must be kept in the custody of the Accountant along with the engraved forms, and particulars shown in the regular statement of engraved forms in the monthly returns, a heading being raised for that purpose.

Daily comparison of entries.

110. The entries in the Savings Department Ledger must be called over before the commencement of business each day in the same way as is done with the Individual Ledger.

Pass Books to be returned when accounts are closed.

111. When a Savings Account is closed, the Pass Book which is given up by the customer must be retained in the custody of the Accountant, who will make a note in the Ledger over his initials that Pass Book has been received by him.

Lost Pass Books.

112. In the event of a Savings Department Pass Book being lost, before issuing a duplicate the same formality must be observed as in the case of a lost Deposit Receipt. (See Rule 93.)

UNCLAIMED BALANCES.

Application for balances.

113. When applications are made for the payment of Unclaimed Balances appearing in the Government Blue Book care must be taken to see that the applicants are fully identified and that they can give the Bank a legal discharge.

Proof of title.

If the applicant has been bankrupt or if application is made for a balance belonging to a deceased depositor, full proof of the applicant's title to the money must be furnished and submitted to the

Filing of
cheques and
documents.

Bank's Solicitor, whose opinion, with the application and proofs must be sent to the General Manager for his approval before payment is made.

After payment the cheque must be sent to the General Manager's office to be recorded and kept together with any documents (original or copies) which have been submitted to prove claims.

Inoperative
accounts and
Deposit
Receipts.

114. About three months before the end of each year, notices should be sent to those depositors whose Savings Department balances or Deposit Receipts will at the end of the next December have been inoperative for five years or over, and they should be requested to take steps to prevent the necessity of their deposits being included in the statement of Unclaimed Balances sent to the Government.

List to
be kept.

An alphabetical list of all inoperative balances that have been transferred to the Montreal Branch must be kept in the back of the Individual Ledgers, for easy reference, together with all particulars obtainable regarding the name and address of the depositor. (See Rule 80.)

Issues of
Drafts.

115. *REGISTERS OF DRAFTS DRAWN.*

Drafts on and between Branches.

Drafts on Agencies.

Drafts on London Office and European and Foreign Agents.

Bank Money Orders.

These books contains a record of all drafts issued, and from them the drafts are advised and entered in the Returns. As granted, the initials of the officers signing as Manager and Accountant are placed opposite each draft in these registers. The Accountant must examine the entry in the draft

book and sign the draft before it is presented to the Manager. (For further particulars, see Rules 131.)

Identification
of Payee.

116. When a draft is issued, payable to a person who intends to carry it with him, it is advisable to send a specimen of his signature to the office on which the draft is drawn.

Drafts sold to
emigrants.

117. In advising drafts sold to emigrants and others not easily identified, it is desirable that a specimen of the payee's signature be forwarded for identification.

Drafts sold to
strangers.

118. When strangers buy drafts on any of the Bank's Branches, and specimens of signatures are forwarded to the Drawee Branch, such Branch should be advised that the Payee of the draft is a stranger, and the receipt of the signature must not be interpreted or used as an introduction.

Drafts on
New York.

119. Drafts drawn on New York must have inserted the words "payable in funds current at the New York Clearing House."

Advice of
Drafts on
New York.

120. The Advice Sheets of Drafts on Merchants' National Bank, New York, are to be checked and totalled, and the total amount confirmed to the New York Agency by letter, to whom also a perfectly legible copy of the Advice Sheets are to be sent. At offices where there is a typewriting machine the advice is to be typewritten in duplicate, and the duplicate sent to the New York Agents.

Telegraphic
advice of
large drafts.

121. Managers must advise the New York Agents promptly by telegraph whenever drawings on New York amount to \$20,000 or over, unless cover is remitted on the same date. When drafts upon any other Branch or Agency amounting to \$10,000 or over are issued in one day, telegraphic

advice must be sent to the Branch or Agency drawn upon unless cover is remitted on the same date or arrangements have been previously made for an excess of this limit.

Drafts on
Boston.

122. Drafts drawn on Boston must be advised to the New York Agents in a separate list. When such drafts exceed \$5,000 they should be advised to the New York Agents by telegraph.

Specimen
signatures
of signing
officers.

123. The Branches and Agencies must supply the Merchants' National Bank, New York, through the New York Agents, with specimen signatures of any officers who may be authorized to sign drafts upon them. Care must also be taken to see that no draft on that Bank is issued upon an altered form.

Numbering
of drafts
on Court.

124. Separate series of numbers for Time drafts and Demand drafts on Court are to be used both in Returns and in Advice Sheets.

Telegraphic
advice of
drafts on
Court.

125. When drafts on the Court are drawn "on demand" and the amount of such drafts in any one day exceeds the demand remittances by £10,000 or upwards, advice of the same should be cabled to the Court. Instructions to New York to pass a transfer for the amount of the excess must not be construed as being within the rule. Demand remittances must be understood to mean only actual funds which will be available to the Bank in London upon receipt of the letter enclosing them and containing advice of the drawings, and the Branches must cable London Office whenever their demand drafts in any one day exceed the demand remittances they are sending forward by £10,000 or over. The larger Branches and Agencies may arrange for a higher limit if necessary.

Drafts on
Glyn & Co.

126. Drafts on London, payable on demand, for sums of One Hundred pounds and under, are to be drawn on Messrs. Glyn, Mills, Currie & Co., unless the purchaser desires a draft in duplicate, in which case a draft on Court may be issued.

Demand
Drafts and
Remittances
of Demand
Exchange.

127. Branches will cable the Court whenever remittances of demand exchange exceed by £10,000 or over, demand drafts drawn by same mail.

Advice of
Sterling
Drafts.

128. Particular attention must be given to advising the London office by first mail of drafts drawn upon them, and duplicate advice should be sent in the next outgoing mail.

Sale of
Canadian
Branches'
Exchange in
New York.

129. Should the Branches require to sell Exchange through New York to create funds, such Exchange must be at sixty days' sight. It is only permissible to sell Demand Exchange or Cable Transfers against satisfactory cover.

Spaces in
Engraved
Forms to
be entirely
filled in.

130. In drawing Inland Drafts, Foreign Exchange, Settlement Cheques, Deposit Receipts, &c., spaces should be entirely filled up by writing the amount closely after the name, or by filling up with heavily ruled lines, the ink being allowed to dry and sink into the body of the paper.

Payment
of Drafts.

131. Drafts and Letters of Credit must not be paid by Tellers without first being marked off the Advice Book or Advice Sheets.

Duplicates of
Lost Drafts.

132. Before issuing duplicate sola drafts, security should be taken to prevent loss being sustained by the Bank, through a demand being made for payment of the original draft. When a duplicate of a sterling draft on another Bank is issued, the Branch will send the duplicate to the Court, to be by them forwarded to the Bank to which it is addressed, the

purchaser requesting the payee to call there and apply for the same.

Drafts outstanding for five years.

133. When a draft has been outstanding for five years between any of the Branches ^{and}or Agencies the drawee Branch must at once debit the amount to the "Branch Draft Outstanding Account," and credit it to London Office, advising the drawing Branch of having debited the amount to "Branch Draft Outstanding Account", in conformity with this rule.

MONEY ORDERS.

Bank Money Orders.

134. In order to enable the Banks to meet competition in the transfer of small sums of money the Canadian Bankers' Association has arranged for the issue by all the Banks in Canada of a uniform style of Money Order for sums not exceeding \$50.00, at the following rates:

\$5.00 and under	3 cents
Over \$5.00 to \$10.00	6 cents
Over \$10.00 to \$30.00	10 cents
Over \$30.00 to \$50.00	15 cents.

Where Negotiable.

135. All Bank Money Orders issued by a Bank are to be paid at par at any Branch of any Chartered Bank in Canada, except those in the Yukon; any Branch paying such an Order drawn by another Bank, will send it through the Local Exchange or Clearing House at par, to the Branch of the issuing Bank at that point, if there is one, but if there is no Branch of the issuing Bank at the place of payment, then the Order will be sent by the Bank paying the same to Montreal for redemption, plus authorized commission, but no commission will be allowed to any Branch except at Montreal and on the above conditions. (See Ci. No. 910.)

Where nego-
tiable in the
United States.

136. With the exceptions noted below, arrangements have been made with the Banks in the United States, detailed on the back of the form issued by this Bank, to cash same at par, which Orders will be redeemed by the New York Agency at par. These exceptions are:

Columbia National Bank, Buffalo.

First National Bank, Chicago.

Merchants' Loan & Trust Co., Chicago.

Old Detroit National Bank, Detroit,

which banks will divide the commission, adding their proportion to Orders sent to New York for redemption.

In case of a change being made in the Signing Officers of a Branch, new specimen signatures are to be forwarded to the Banks mentioned on the back of the Money Order forms.

Money Orders
to be Regis-
tered, but not
Advised.

137. Money Orders sold over the counter to the Public must be recorded in a separate part of the Register of Drafts Drawn, but advice of Orders so issued is not required.

Money Order
Suspense
Account.

138. Money Orders issued are to be credited to "Money Order Suspense Account," and returned by the paying Branch on their Cash Item List to the issuing Branch, which Branch will then charge them to "Money Order Suspense Account." The balance of this account is to be shown in the Weekly Statement of Assets and Liabilities, and is to be included in the Government Statement amongst the Liabilities under Item No. 11, and a list of Money Orders Outstanding is to be shown in each return, certified by the Manager and Accountant, the total of which should agree with the balance as shown on the Balance Sheet.

**Blank Money
Order forms
supplied to
Customers.**

139. Books of blank Bank Money Order Forms may be supplied to undoubted customers; books so supplied, however, must be signed by the usual Signing Officers of the Branch, and made payable to the customer, who before receiving same must sign Agreement Form No. 84, furnished by the Bank. Such Orders when presented for payment are to be charged direct to the customer's account, and the Bank must receive a written authority from the customer to charge the same to his account.

**Orders issued
to be settled
or weekly.**

140. In order that the Bank may receive prompt notice of all Money Orders issued, a list of Orders issued by customers is to be procured each week, and at least once a month customers should hand the Bank their cheque, plus the commission, for any orders which have been issued by them and not charged to their account.

**Record
of Forms.**

141. A record of books of blank Bank Money Order forms supplied to customers, must be kept, and it will be the duty of the Accountant to see that the forms are all accounted for. Unused forms are to be returned in the event of a customer closing his account.

**Supply
of Forms.**

142. Supplies of forms can be obtained through the General Manager's Office and these must be kept by the Accountant in the same way as the ordinary Engraved Forms, and a statement given in each Return of Forms on Hand, used and spoiled.

**Drafts granted
by Agents.**

DRAFTS GRANTED BY AGENTS.

143. This book contains a list of all Drafts drawn on the Branch by Agents, as advised in letters received. When a Draft is presented for payment, it must be marked off in this book, after it is seen to correspond with the advice, or in case of a Draft

presented before receipt of advice, the entry must be made from the draft itself, and afterwards compared with the advice when received. Drafts presented before receipt of advice must be referred to the Manager or Accountant before being paid.

LETTERS OF CREDIT BOOK.

Letters of
Credit—
How paid.

144. In this book must be entered particulars of all Letters of Credit and Drafts advised by the Court. As paid these are marked off, the exchange being checked by the Accountant, who should satisfy himself in regard to the identity of parties presenting them.

Rate for
payment of
Letters of
Credit.

145. Letters of Credit are to be paid at or about the selling rate for prime 60 days sight exchange in New York. The difference between this rate and the sight rate affords a margin sufficient to cover the commission of 1-20 of 1 per cent. allowed by the Court to British and Continental Banks who issue such credits, which commission is charged by the London office to the Branches and Agencies at the end of each quarter.

Identity of
Payee.

146. In paying a Letter of Credit to another Bank, it should be required to guarantee the payee's identity.

Daily compari-
son of entries.

147. When calling over the Cash Book in the morning the Accountant must see that the Letters of Credit paid on the previous day have been properly marked off in the Letters of Credit Book.

Letters of
Credit out-
standing five
years.

148. When Letters of Credit or Drafts drawn on the Branches ^{and}_{or} Agencies have been outstanding in

Circular #1063. 16th, Sept. 1910.

Insert in your book of Circular Instructions opposite Rule 144 on page 37.

The total amount of each list received advising drafts and letters of credit issued by London Office is to be debited to London Office at par of exchange and credited to "British Drafts & Letters of Credit" Outstanding" and as the drafts and Letters of Credit are paid the par amounts are to be charged to this account.

The outstanding items comprising the balance of this account are to be particularised in each Return and the Statement verified by the Accountant, a memo. being made ~~opposite~~ the Sterling equivalent opposite the Dollar amounts in cases where L/cs & Drafts have been drawn in Sterling

Drafts & L/cs issued by the L/O in dollars will be treated in the same manner as those issued in ~~L/O~~ Sterling with the exception that when the advice is received from the L/O, the amount of the advice list will be debited to the Montreal Branch on A/c of L/O Dollar A/c. by debit slip on the Cash Item List.

the London Office account for five years, a notice must be at once sent to the Secretary, who will advise whether the amounts may be written off the books.

BILL REGISTERS.

Bill Registers.

Local Bills discounted.
Bills discounted remitted.
American bills purchased.
Sterling Bills purchased.
Bills received for collection on hand.
Bills received as Collateral Security.
Bank Collections.

Entry of Bills.

Security for Bills and Renewals.

149. These books are intended to contain particulars of all bills received by the Bank, and should record the name of every party appearing upon the Bill. Upon the margin of the Register, any security held should be referred to, and, if a renewal, the amount of the old bill should be marked. These books should be kept up daily, no bill being allowed to go out of the office, or to be placed in the safe, without being recorded.

Bills received as Collateral Security.

150. Bills received as Collateral Security must be registered separately from ordinary Collection Bills, and must continue to appear in the General Ledger Accounts. The account on the debit side will be "Bills Received as Collateral Security," and the contra accounts will be "Collateral Bills on Hand" and "Collateral Bills Remitted." The rule under which Collection Bills Remitted are not required to be entered in the Register does not apply to Collateral Bills Remitted.

**Substitution
not allowed.**

151. Where advances are made against the security of certain collateral bills, there should be no substitution of such bills. As they mature and are paid, the proceeds should be applied in reduction of the advances against which they are held, and not used by the customer for other purposes. With manufacturing and large mercantile accommodation advances against collateral bills, which fluctuate from time to time, according to their legitimate requirements, it may be necessary, in some cases, to allow substitution, but this right of substitution must first have the sanction of the Bank.

**Bank collection
Account
and Register.**

152. No Branch is permitted to have a Bank Collection Account without first procuring the authority of the General Manager.

The Bank Collection Register will be used by the Branches which have procured authority to have a Bank Collection Account, for registering Sight and Demand Cash Items. In cases where such items are payable at distant points, they may be included in the daily deposits made with other local Banks, the Teller marking on the margin of his Blotter the commission against each item.

Full particulars of the items comprising the balance at the debit of Bank Collection Account, certified by the Manager and the Accountant, must be shown in each Return.

DAILY BILL BOOK.

153. This book contains a record of all bills received at the Branch, with the exception of Sterling

Bills of Exchange purchased, entered according to maturity.

154. The address of the promisor or acceptor requires to be registered in this book. From it the bills due locally, whether discounted or for collection, are taken over by the Teller from the Manager on the day on which they mature, and his initials given.

155. From this book the Cash Book is credited with the total amounts of Local Bills Discounted maturing; those unpaid at the end of the day being at once debited to Past Due Bills.

Remitted
Collections
Bill Book.

156. The lines of the Bill Book for Remitted Collections must be numbered from top to bottom, beginning with No. 1 on each page, and the bills numbered with the number of the page and the number of the line as e. g., 251-16, 251-17. This system will render it unnecessary to enter Remitted Collections in the Register.

Collection
Bills to be
Marked off.

157. Care must be taken that all Collection Bills matured are promptly marked off as paid or returned, so that bills outstanding which have not been accounted for within due time, may be immediately enquired about.

DISCOUNT PROGRESSIVE LEDGER.

158. The object of this book is to show the individual liability of each party at the Branch, either

as endorser, intermediate endorser, promisor or acceptor, whether on Bills discounted or American or Sterling Bills of Exchange purchased.

159. For convenience it may be found advisable to divide accounts over two or three books, viz.: Discount Progressive Ledger, American Bills Progressive Ledger, and Sterling Exchange Progressive Ledger, with supplementary Ledgers for parties whose liabilities are less than \$1,000.

160. In opening a new Discount Progressive Ledger the balances must not be brought forward from the old Ledger. This will prove the correctness of the old Ledger, as the balances should thus be extinguished by the maturing of the Bills. The full name, occupation, and address must appear at the head of each account in the liability Ledgers.

161. Bills must not be written off Customers' Liability Accounts until they have been marked off in the Bill Book as taken out of the Bill Accounts.

LIABILITY BOOK.

162. This book is written up from each Return, and contains the names, in alphabetical order, of those obligants whose total liabilities to the Branch amount to \$1,000 (at the smaller Branches \$500).

PAST DUE DEBT LEDGER WITH PROCEDURE.

163. This book is intended to form a record of every debt overdue, and of the procedure taken to recover or secure it. It must be kept closely written up and indexed to show every name.

Past Due Bills
written off.

164. Amounts "written off" by Court are not to be interpreted as composition or discharge of the debtor for the amounts so written off, and debtors must not be informed that amounts have been written off. Any notes or obligations held from the debtor must not be surrendered without the authority of the Court or the General Manager. These remarks have especial reference to debtors who may not be bankrupt.

165. Bills appearing for the first time in the Statement of Past Due Bills on hand in Returns are to be reported upon in the same way as in the Quarterly Statement of Past Due Bills, giving explanations and any necessary information. A press copy of these remarks must accompany the Returns.

Procedure
Books.

166. Procedure Books, old and in present use, must be kept in the cash vault.

UNDISCHARGED DEBTORS.

167. The "Undischarged Debtor's" Book must be written up from the Procedure Book, and kept in the possession of the Manager.

IRRECOVERABLE DEBTS.

168. Bad debts must not be written off by the Branches or Agencies until authorized by the Court or the General Manager. They are then debited first to Irrecoverable Debts Account, and immediately transferred to London Office. Amounts written off and afterwards recovered are credited to Irrecoverable Debts Account, and transferred half-yearly to London Office.

CHARACTER BOOK.

169. A Register of all parties liable at a Branch for \$400, and upwards, should be preserved in alpha-

S.O.B.

S 252

Rule 168.

Bad Debts must not be written off by the Branches or Agencies until authorized by the General Manager or District Superintendent. When this authority is received the amounts are to be transferred to the Accountant's Department, the Branches making the following entries :-

"Credit Past Due Bills \$
 Debit Irrecoverable Debts \$

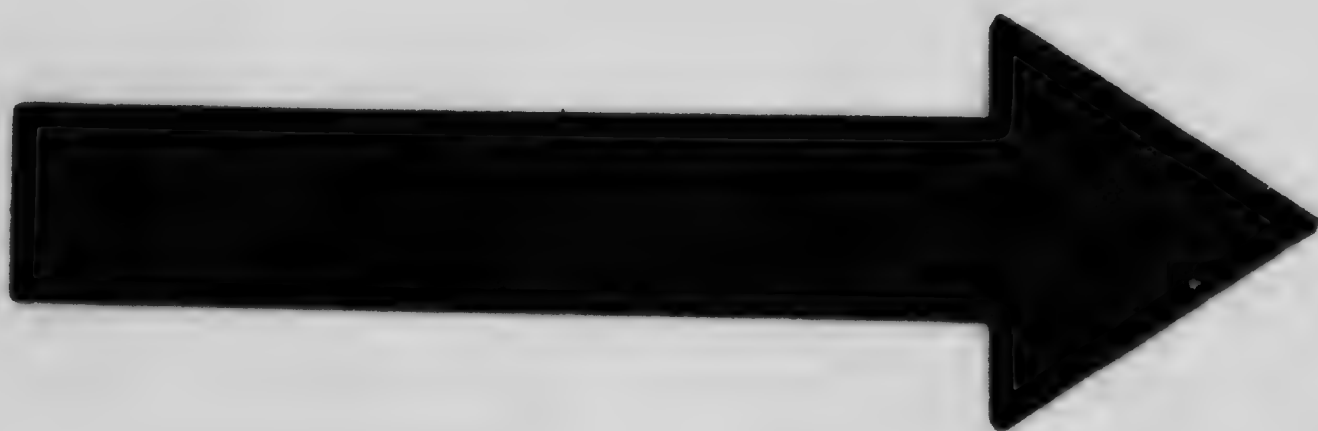
"Credit Irrecoverable Debts \$
 Debit Accountant's Department \$

Amounts written off and afterwards recovered are to be credited to irrecoverable debts Account and transferred at the end of each year to the Accountant's Department."

S.O.B. Cir. Memo. S 252.
July 20th, 1917

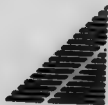
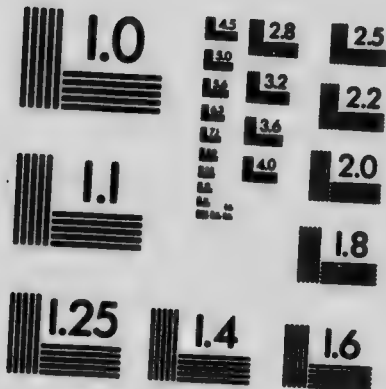
ent
tenden
part

Advice of amounts so transferred is to be sent
at the end of each half-year to the Superintendent
of Branches, giving the name of the party or parties
as well as the Sterling and Dollar amounts.



MICROCOPY RESOLUTION TEST CHART

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betical order, showing the residence and occupation of each, with the Manager's remarks and rating according to the cypher in use throughout the Bank.

170. Two books may be kept, one for parties residing in the district, and the other for parties residing out of the district.

Ratings.

171. The information upon which such a rating is based must be preserved in a form readily available, to which a reference will be made in the Character Book, opposite to the name of the party reported upon. It is unnecessary to add that such ratings should not be based solely upon information derived from the Bank's customer, from whom the name is taken, or from the Mercantile Agency, but as much as possible upon the result of the Manager's personal enquiries in the district.

Failures.

172 Important failures should be immediately announced by telegram to the General Manager and, if necessary, to the other Branches that are likely to be interested.

SECURITY BOOK.

Record of Securities.

173. This book is intended to record all securities lodged in the Treasury, whether pledged to the Bank or held for safe-keeping, showing when received and when returned. Such securities are held in the joint custody of the Manager and Accountant in the Treasury compartment of the safe.

From whom received.

174. As the Bank incurs more or less responsibility in connection with securities received from the public for safe-keeping, it is not desirable to receive them from parties who have no claim upon them. They should be handed to the Manager personally. (See Rules 464-465.).

**Plate chests
and packages.**

175. Plate chests and sealed packages received into the vaults, should be enumerated in a separate part of the book, and a receipt taken in the Security Book when they are delivered up. It is not necessary to enter this class of securities in the Ledger account, referred to below.

**Stocks and
shares.**

176. Stocks and shares taken as collateral for advances are to be placed in the names, personally of the Manager and Accountant—"In trust," and when transfers may be necessary the Manager and Accountant should not be absent from the Office at the same time.

Merchandise.

177. Entries must be made in Security Accounts, for merchandise held as collateral security.

**Ledger
accounts.**

178. Debit accounts must be opened in the General Ledger under the following headings:—

Securities on Hand.

Securities Remitted.

And to balance these, Credit Accounts must be opened under the headings of:—

Securities received from London Office.

Securities received from Branches.

Securities received from Private Parties.

Securities held against Advances.

QUARTERLY BALANCE BOOK.

179. In this book are recorded the particulars of the balances of Bills Discounted, Collateral Bills, Deposit Receipts and Securities, which must be taken out at the end of each quarter.

OLD BOOKS AND VOUCHERS.

180. Old Books, when filed away in the vaults, are to be divided into two classes, viz :—

Books to be Kept.

(a) Books which are to be kept an indefinite time and never destroyed, such as the following:—

Share Registers.

Journal Share Registers.

Dividend Warrant Books.

Ledgers, Individual.

“ Savings Bank.

“ Branch.

“ General.

“ Banks.

“ Past Due Bills, with Procedure.

General Balance Books.

Registers of Deposit Receipts.

“ Collateral Bills.

“ Advances against Goods Pledged.

“ Undischarged Debtors.

“ Securities.

“ Mercantile Credits.

“ Collection Bills Returned.

Treasury Safe Books.

Record of Outstanding Cheques.

Receipts for Current Account and Savings

Department Vouchers.

Charges Abstract Books.

Deposit Receipt Index Books.

All Signature Books.

Rating Books.

Character Books.

Comparative Statement Books.

Comparative Profit Books.

Statement Copying Books.

Letter Books, General Managers.

" London Office Secretary
and Manager.

" Private Parties and Other Banks

Circular Books.

Books which
may be
destroyed.

(b) Books which may be destroyed after the
lapse of ten years, such as the following:—

Ledgers, Discount Progressive.

" Discount Progressive, Acceptors.

" British Bills of Exchange Purchased.

Registers, Bills Discounted—Local and
Remitted.

" British Bills Purchased.

" American Bills Purchased.

" Collection Bills.

" Cheques Received and Despatched.

" Remittances Received and
Despatched.

" Letters of Credit.

" Drafts (all).

" Letters Received and Despatched.

" Letters and Parcels Received and
Despatched.

Daily Bills Books (all).

Daily Bill Books, Supplementary for long-dated
Bills.

Remitted Bills Paid Books, Discounts and Col-
lections.

Records of B.-C.'s Remitter^d to London Office.

Cash Books.

" Supplementary.

Waste Books.

Teller's Cash Books.

" Blotters.

" Bill Books.

**Notes Specification Book.
Trial Balance Books.**

Any Books which are not mentioned in either of the above Lists are not to be destroyed.

Vouchers to
be retained or
destroyed.

181. Vouchers for five years back must be preserved in an orderly manner, and kept in five separate boxes or chests, each box or chest labeled with the year, such as 1903, 1904, 1905, 1906 and 1907, so that they can be readily referred to. As soon as possible after the middle of January, 1909, the Vouchers for 1908 are to be filed away, and those for 1903 destroyed, with the following exceptions, viz:—

Charges Vouchers.
Branch Drafts.
Bank Money Orders.
Letters of Credit.
Deposit Receipts.
Current Account Cheques.
Savings Department Cheques.

as such Vouchers are never to be destroyed. The above procedure will be followed each successive year.

Destruction
of vouchers.

182. The Vouchers must be destroyed in the presence of two Senior Officers (one of whom is to be the Accountant, and where there is no Accountant, then the Manager), who must sign a Certificate that they have witnessed the thorough destruction of the same, and this Certificate is to be forwarded to the Superintendent of Branches.

ACCOUNTS.

CHARGES ACCOUNTS.

Bank
premises.

183. Disbursements for improvements or repairs upon the Premises must first be sanctioned by the

General Manager. If urgently required for the preservation of the Property, such improvements or repairs may be undertaken, but advice is to be sent to the General Manager immediately, giving full details as to extent of such repairs, etc., and cost of same.

**Builders' risk
insurance.**

184. When alterations or repairs to the Bank Premises have been authorized, the Superintendent of Branches is to be notified as soon as the work has been commenced, in order that a "Builders' Risk" Policy may be taken out, otherwise the Insurance Companies are not liable for any damage or loss occurring. The length of time such a policy will be required is also to be given.

**Particulars
of accounts.**

185. Full particulars of accounts are to be given (amount of bill, and nature of materials or work for which money is paid).

**Accounts of
mechanics.**

186. All accounts which can be rendered monthly, especially those of plumbers and jobbing mechanics, must be paid at the end of each month. The Accountant must keep a memo. book for record of orders for work and approximations as to time occupied by workmen. The accounts must be checked from this book and initialled by the Manager before payment.

Furniture.

187. No furniture is to be purchased without the authority of the General Manager.

Subscriptions.

188. No Manager will be permitted to make subscriptions at the Bank's expense, without the authority of the Court or General Manager.

Petty cash.

189. If a "Petty Cash" Account is kept it should be entered in the General Ledger, so that the balance may appear separately on the balance sheets.

INTEREST AND DISCOUNT.

Balance to be transferred semi-annually.

190. All sums paid or received on account of Interest and Discount appear in this account, and the balance must be transferred to London at 30th June and 31st December, adjusting entries being first made for interest due on outstanding Deposit Receipts, Rebate on Current Bills Discounted, and Interest on Loans and Overdrafts accrued but not paid.

Rebate account.

191. A statement must be made up and forwarded to the Superintendent of Branches at the end of each quarter showing the amount of rebate at 6% per annum on discounted bills current. The total amount of the rebate is to be deducted from the profits. Actual entries will only require to be made at the end of June and the end of December. The total must then be charged to "Interest Account" and credited to "Rebate Account." On the first business day of the new half year the amount should be credited back to "Interest Account."

Adjusting interest account.

192. The amount of interest accrued on outstanding Deposit Receipts must be calculated at the end of each quarter and the total deducted from the profits. Actual entries will only require to be made at the end of June and the end of December. The total must then be charged to "Interest Account," and credited to "Interest Adjusting Account." On the first business day of the new half-year the amount should be credited back to Interest Account.

ABSTRACTS.

193. The abstracts of Charges Account and of the Interest, Commission, and Exchange Accounts which are required in the Annual Return must be written up by a competent Officer, and the Accountant will state over his signature at the end of each Return the date up to which the abstracts have been made. The Abstract of Charges should be written up weekly, and the Abstracts of Exchange, Interest and Commission Accounts monthly. The Abstract books must have the same headings as appear in the Annual Return, and all necessary particulars must be given in the General Ledger in order to simplify the writing up of the Abstracts. "Particulars of Charges Account" will, in future, be omitted from the Annual Return, the "Abstract of Charges Account" being retained. The "Particulars of Charges" will, of course, still be written in detail in the Abstract Book.

LONDON OFFICE CURRENT ACCOUNT.

Liabilities of
customers on
sterling bills.

194. All sterling transactions, whether at short or long dates, are debited or credited at once to London Office Current Account at the par of exchange. The liabilities of customers on Sterling Bills of Exchange purchased must not, however, for this reason be omitted from the ordinary liability statements sent from the Branches, but must be shown in a total separate from the liabilities on Inland Bills, a special heading being raised for the purpose if necessary.

New York
"London Office
Dollar
Account."

195. All items paid by the Branches on account of London Office, drawn payable in dollars, or which the London Office may instruct the Branches by cable or otherwise to be paid in dollars, are to be

charged to the New York Agency for debit of the "London Office Dollar Account" kept at that Agency, and all dollar items collected by the Branches on account of the London Office are to be credited to New York for credit of the "London Office Dollar Account," with advice to London Office in all cases. Particulars of such items charged are to be recorded on debit slips and included on the Cash Item Lists sent to New York, and such items credited to New York are to be recorded on Drafts Between Branches and credited as such through the Head Office Account. In order that the London Office may be in a position to meet competition, the Branches will have to credit any premium on New York funds or charge any discount, when the same amounts to 25 cents or over.

Sterling transfers.

196. All Sterling Transfers made between Branches must be advised to the Court by both Branches.

DAWSON BRANCH.

Rates.

197. The rates of commission for transactions with Dawson are as under:—

	Rates.	Return Commission allowed to other Banks belonging business.
On Drafts and Letters of Credit issued	1%	¾ of 1%
On Telegraphic Transfers	1½%	¾ of 1%
On Drafts and Bills discounted..	1%	
	and interest to date of payment.	¼ of 1%

Duplicate Drafts.

198. In order to obviate the necessity of calling for indemnity bonds in the case of lost drafts, the Branches and Agencies will in future when drawing drafts on Dawson, cross them "Original" "(duplicate being unpaid)" in red ink, but the duplicate will

Instructions re London Office Dollar A/c.
" " " London Office Branch Sterling A/c.

All forms must be legibly stamped with the name of the branch on all parts.

Forms must be written in ink or by typewriter, but must not be written in pencil.

Items for credit of the Dollar A/c must not be remitted on the blue D.B.Bs.

The forms sent to Montreal are forwarded to London Office and used by them as vouchers, they must, therefore, be carefully prepared, duly verified and signed.

The London Office D.B.Bs. sent to Montreal must be left intact, but the D.B.Bs. portion can be torn off, the copy sent to London Office.

The words Glyn & Co., Court Demand or Court Time must be written above the particulars of ~~Exchange~~ ~~Purchased~~ the ~~xxx~~ drafts.

The words Demand B/E Purchased or Time B/E Purchased must be written above the particulars of Bills of Exchange Purchased.

Until London Office commences to use D.B.Bs. all payments whether in sterling or dollars, originating in London Office are to be debited by the branches to us in the C.I. List on ordinary debit slips C/a London Office Dollar Account (see last para, page 6, Circ. 1151) No items for debit of the Dollar Account must be debited on the pink slips.

Proceeds of Bills sent to London Office for collection and advised by them as paid, are regarded as transactions originating at the branches and must, therefore, be charged to London Office on the pink slips as Sundry Debits to the Sterling Branch A/c.

They are to be put through at the rate for buying demand exchange.

only be issued should original be lost, and on application. Wherever practicable such duplicate drafts, if applied for, should be sent to the Branch drawn upon, which will arrange for payment. Should any customer object to having drafts crossed as above, they may be issued in the ordinary way, but the reason for such crossing should be pointed out. Advice of the issue of such duplicate drafts must in all cases be sent not only to the Drawee Branch but to San Francisco, Victoria and Vancouver.

**Mailing of
Letters.**

199. As the mails for Dawson are still irregular, copies of original correspondence, (which is now forwarded direct,) should be sent direct to Dawson by the mail leaving say one week after the original letter has been despatched.

**Closing of
Books.**

200. The Dawson Branch will continue to close its books at the end of May and November.

NEW YORK.

**Reserve
Account
in New York.**

201. The Branches of the Bank in Canada, except Dawson, are to maintain in New York a Reserve Account equal to 25% of the amount of their Time Deposits and Interest Bearing Current Accounts. With the exceptions noted below, the New York Agents will allow interest upon this Reserve Account at the rate of one half of 1% below the Call Loan Rate of the day, but not in any case more than $3\frac{1}{2}\%$ net. Such interest will be credited and advised by the New York Agents up to the last day of the second month in each Quarter.

The Free Balances of the undernoted Branches on

Free Balances. which the New York Agents allow no interest, are as follows, viz:—

Brandon	\$ 5,000	Ottawa	\$ 15,000
Brantford	10,000	Quebec	10,000
Dawson	35,000	Roseland	5,000
Fredericton	5,000	San Francisco	50,000
Halifax	20,000	St. John	15,000
Hamilton	20,000	Toronto	50,000
Kingston	5,000	Vancouver	15,000
London	5,000	Victoria	15,000
Montreal	200,000	Winnipeg	10,000

The amount of the Free Balance will be fixed by the General Manager, and in the case of the Dawson Branch and the San Francisco Agency, as they keep no Reserve other than a Free Balance, they will receive no interest from the New York Agents.

**Changes in
Reserve
Accounts.**

202. This Reserve Account will have to be adjusted as occasion requires, but no adjustment is to be made for a sum of less than \$5,000, and larger Adjustments must be made in multiples of \$5,000. The Adjustments are to be based upon the balance of the Time Deposits and Interest Bearing Current Accounts at the end of each month, and they must be arranged for within the first week of the new month.

If Sterling Transfers are asked for in connection with the Adjustment of the Reserve Account, the New York Agents will put them through at the demand rate of the day, but the Branches may, if it suits them, adjust in Currency.

**Adjustment of
Reserve
Accounts.**

203. At the end of June and December each year, the Auditors will require a hand copy of the Adjustment of the Balance of the Reserve Account of the

Sales of
Demand
Exchange
and Cable
Transfers.

Branches held by the New York Agency, which will be made up by that Agency and despatched as soon as possible after the close of the Half Years.

204. In ordering sales of Demand Exchange or of Cable Transfers through New York or elsewhere the Branches must advise whether remittances to cover are in transitu to London.

HEAD OFFICE BRANCH ACCOUNT.

205. This Account, which is kept in the General Ledger, is to be debited or credited, as the case may be, with the total of all the transactions which take place between the Branches and Agencies of the Bank in Canada or the United States. The items will be forwarded direct to the various Branches interested, and there will be no Branch items debited or credited through the Waste Book. All items debited or credited are to be entered in the Cash Book, and the totals only of each day's debit and credit entries will be posted to the Head Office Branch Account in the General Ledger.

Cheques
Despatched
Register.

206. All cheques despatched are to be first entered in the Cheques Despatched Register, with full particulars. Those for each branch are then to be listed on a separate slip, which must be dated and bear the name of the remitting Branch. A summary will be made of these lists, the totals of which (which must be certified correct by the Accountant), will agree with the total of the Cheques Despatched Register, which total will be entered in the Cash Book. The individual items in the Cheques Despatched Register must be initialled for by the Accountant. All sundry debits, such as Notarial Costs, debited by one Branch to another, Commission on cheques, and in the case of the Montreal

Branch and New York Agency, the proceeds of Sterling Exchange bought, as well as all payments on account of The Officers' Widows & Orphans' Fund subscriptions, dollar payments on account of Head Office for debit of London Office dollar account at the New York Agency, and other payments advised by the Montreal Branch for advertising, subscriptions to Mercantile Agencies, etc., will be included on the Cash Item Lists, and are not to be charged as separate items. The Branches receiving the Cash Item Lists must check off the individual items and see that the totals are correct, and in any event, the totals must be credited in full as received, any error being at once corrected, by special entry, by the receiving Branch, or by communicating with the despatching Branch.

Telegraphic
advice for
remittances
of \$25,000
or over.

207. Branches and/or Agencies are to advise by telegram when their remittances and/or Cash items to any other Branch or Agency on any one day amount to \$25,000 or over.

Returned
Unpaid Items.

208. Any unpaid items are to be returned, as a separate debit entry, and full particulars of each such item must be entered in the Cash Book, and in the copy of the Head Office Branch Account. On no account are returned items to be included in the Cash Item Lists.

Cash Item and
Draft Lists.

One total only for Cash Item and Draft Lists Despatched daily, on account of any one Branch, is to be shown in the Head Office Daily Statement.

Particulars
to be given.

The Cheques Despatched Register is to show the names of the drawers of each cheque, and sufficient other details to enable a lost cheque to be traced if necessary.

The smaller Branches, which receive and despatch only a few Cash Item Lists each day, may enter the same separately in their Cash Book, but the larger Branches, which use Head Office Form 2, may enter in their Cash Book the totals of the Cash Item Lists as shown in that form.

Advice of
Drafts issued.

209. All Drafts issued by a Branch in favour of customers or Banks are to be advised on Form 147, and the total of each day's Drafts credited to the various Branches, either separately in the Cash Book, or on Head Office Form 2, the receiving Branch charging the total amount on the day of receipt and crediting the same to their "Branch Drafts Outstanding Account." The total of the Lists must be checked by the despatching and receiving Branch, the latter making an entry for the full amount as received, and should any error be found, separate entries must be made in the Account for the difference, showing particulars, with prompt advice to the Branch concerned. (See Rule 118).

Drafts
between
Branches.

210. "Drafts Between Branches" drawn upon Form 117-E need not be advised by the issuing Branch, nor put through the "Branch Drafts Outstanding Account" by the receiving Branch. The issuing Branch will credit such Drafts to the Branch drawn upon in their Head Office Branch Account as "Collection Drafts," and the receiving Branch will debit them as "Collection Drafts." "Drafts Between Branches" are to be used in remitting for Discounts or Collection Bills received from other Branches; for advising proceeds of bills remitted by other Banks, to one Branch, for the credit of another Branch; proceeds of Sterling Exchange sold on account of a Branch by either the Montreal Branch or

the New York Agency; payments for credit of the London Office Dollar Account at the New York Agency, and any other sundry credits which may originate at a Branch.

**Payments
Telegraphic.**

211. Payments are divided into three classes, viz: Telegraphic Payments, Letter Payments, and Payments on account of a Credit. Telegraphic Payments are to be credited by the Branch issuing the same on the day the transaction takes place, and debited by the Branch receiving the advice, to the issuing Branch, on the date of receipt. On no account is a debit entry for such a payment to be held over until the Payee calls for the money, but the amount is to be placed to the credit of the Payee, with advice, should he keep an account at the Branch; but if he keeps no account with the Bank, then to a Manager's Account in the Individual Ledger, with advice. Telegraphic Payments will always appear as separate entries in the Head Office Branch Account, and must be specified as "Telegraphic Payments."

**Letter
Payments.**

Letter Payments will also appear as separate entries in the Head Office Branch Account, under the heading of "Letter Payments," and are to be advised in the Branch letters and the paragraph countersigned by the Accountant. (See Rule 422).

**Payments on
Account of a
Credit.**

Payments on account of a Credit may be included in the Cash Item Lists, but if entered separately in the Head Office Branch Account, they must, like all payments, be so specified, in order that the Head Office Department may know when to expect a responding entry.

**Note
Remittances**

212. Remittances are to be entered separately and must show the number and nature of the Re-

mittance, that is, whether Sundry Notes, Legal Tenders, or Notes of this Bank. As far as possible, Remittances are not to be outstanding at the end of any month, particularly at the end of June and December, and in the case of the Dawson Branch, at the end of May and November.

Notes held on
Account
Montreal
Entries.

213. Entries on account of "Notes held on account of Montreal" are to be made in the Head Office Account at debit or credit of the Montreal Branch, and must show the denominations of the Notes. Form 109-A is to be used when depositing Notes of this Bank in the Treasury, and must be entered as a separate debit entry in the Head Office Branch Account. Form 108-B will be used when withdrawing Notes from the Treasury, and must also be used as a separate credit entry in the Head Office Account, the forms being enclosed in the branch letter to Montreal, without further advice, which Branch will use them as Vouchers for their Cash Book. As far as possible, no entries on account of Notes of the Bank are to be outstanding at the end of June and December, or, in the case of Dawson, May and November. Special care must be taken that all Note entries are promptly advised on the day that the transaction takes place, but no entry on account of "Notes held of a Montreal" should be made for a sum less than \$2,000. The balance, with specification of the notes, of "Notes of a Montreal" account is to be shown on each voucher sent by a Branch to the Montreal Branch, for instance: \$5,000—5, \$2,000—10, \$2,000—20, balance \$9,000.

Branches taking Notes out of the Treasury for despatch to other Branches, or putting Notes into the Treasury received from other Branches, will not

use the forms mentioned above, but will merely send advice of such transactions to the Branches interested and the Montreal Branch, by letter, as such entries will not affect the Head Office Branch Account.

Coupons.

214. Coupons are not, on any account, to be charged as Remittances through the Head Office Branch Account, but must be treated as Remitted Bills.

Funds not to be allowed to accumulate.

215. Branches must not allow funds to accumulate at the debit of the Head Office Branch Account, but when not needed for immediate requirements, such funds must be transferred to London Office by the purchase of Sixty Days' Sight Exchange through the Montreal Branch if the funds have been remitted to Montreal, and through the New York Agency if the funds have been remitted to that point. If it is absolutely necessary to pass a transfer, advice by letter of which cannot reach a Branch before the end of the Half Year, the transfer may be put through as a separate entry, and the proceeds telegraphed to the Branch interested. Should, however, any such transfer be outstanding at the end of the Half Year, the Branches will quote the sterling amount and rate of exchange in addition to the dollars.

Balance to be covered by Montreal Branch.

216. Unless otherwise requested, balances of \$2,000 and over, due to Head Office, will be covered by the Montreal Branch. If, however, a Branch will be in a position to cover its Overdraft within a day or two, a statement to that effect must be made on the copy of the Head Office Account of that day, over the Manager's initials, and each subsequent day until the Overdraft is covered.

Orders for sale
or purchase of
Sterling
Exchange to be
given direct.

217. Orders for the sale or purchase of Sterling Exchange are to be given direct by the Branches to the Montreal Branch, but a note of such orders must be recorded on the Head Office Daily Statement, over the Manager's initials. Sterling Transfers are to be advised to the London Office by both Branches, and no transfers are to be outstanding at the end of June and December, or, in the case of the Dawson Branch, May and November.

Head Office
Daily
Statement.

218. On Head Office Form 1 at the smaller Branches, and Head Office Form 1, 2 or 2-A as the case may be, at the larger Branches, the copy of the Head Office Branch Account, as appearing in the Cash Book, is to be sent by the first mail after the close of business daily, under separate cover, addressed to "The Accountant to the General Manager's Office, The Bank of British North America, Montreal, P. Q.," which Forms are to be the only ones to be sent direct to that Officer. All other correspondence in connection with the Head Office Branch Account, and all replies to Head Office Form 3, are to be sent direct to the Superintendent of Branches. In writing out the daily copy of the Head Office Account, the name of the Montreal Branch must come first, Toronto second, and the other Branches in alphabetical order, with the exception of the New York Agency, which is to come last. The copy must agree in all particulars with the Cash Book entries of the same day, and the totals must agree with the totals posted in the General Ledger. The Ledger balance of that account must be correctly extended, and the balance carried into the Head Office Daily Statement as "Balance Due to Head Office," or "Balance Due by Head Office," as the case may be.

Alterations to
be initialed.

219. All alterations in the accounts are to be initialed by the Signing Officer, and in the event of an error having been made in any copy of account already despatched to Head Office, corrected copies for the day on which the error occurred, and subsequent days, if any, are to be sent forward without delay, and reversing entries, if any, must show the date of the original entry.

Certification
by Accountant.

220. All copies of the Head Office Daily Account and Supplementary Lists which accompany it, are to be certified as correct by the Accountant, or, at Branches where there is no regularly appointed Accountant, by the Manager, by the use of the words "Certified Correct," over their signature, and the Officer so signing will be held responsible for the correctness of the Statement, in every detail. Officers certifying to the correctness of these accounts must satisfy themselves that the account is correct in every particular, before being despatched.

Lost items.

221. In the event of any item or items debited through the Head Office Account by one Branch to another, being lost in the mails, the debiting Branch is to reverse its entry and debit the amount to its Past Due Bill Account, until such time as duplicates of the lost items have been procured.

Adjustment
of Account.

222. An adjustment of the Head Office Branch Account is to be made up monthly by the Accountant to the General Manager's Office, and at the end of June and December, a copy of the Adjustment, certified to by that Officer, is to be forwarded to the Secretary. In the case of the Dawson Branch Account, the balances and entries as at the end of May and November will be taken into account.

In order that the Auditors may have no difficulty

Information
re Outstanding
Items.

in deciding under which heading in the Bank's General Balance Sheet the various items shown in the Adjustment as outstanding between the Branches ought to be placed, care must be taken to see that sufficient information is given on the Head Office Daily Statement against all items which are likely to be outstanding at the end of June and December (May and November as regards the Dawson Branch), in order that the Half Yearly Adjustment sent to the London Office may show the nature of the items perfectly clear. Generally speaking, outstanding items may be placed under the following heads:—

Bills Discounted, which includes totals of Cash Item Lists and Cheques returned.

Drafts, including Draft Lists and Collection Drafts.

Circulation, which includes outstanding entries (if any), for Notes of this Bank only.

Sundries, which include Payments, whether advised by Letter or Telegraph.

Notes
Remittances.

In the case of a remittance appearing in the Adjustment, it must be clearly defined, viz: whether Notes of this Bank, Legal Tender Notes, Gold, or sundry Notes (Notes of other Banks), etc.

Particulars of
Sterling
Transfers.

Should any London Office Transfers appear in the Half Yearly Adjustment, the Sterling amount and rate of Exchange must be quoted, in addition to the Dollar amount.

New York
Funds.

223. In connection with the Head Office Account, no Branch is permitted to take advantage of opportunities which may be presented under this arrangement, by entering into special transactions

**Sterling
Exchange
Purchases and
Sales of**

Transfers.

—particularly in New York funds—to secure a profit for itself, at the expense of the Montreal Branch (the Clearing Branch), or at the expense of any other office of the Bank. Any Branch buying New York drafts with surplus funds which are intended to be remitted to the London Office, must give instructions to the New York Agents to buy Sterling Exchange on its account, and likewise if the funds are being drawn from the London Office, the Sterling Exchange must be sold in New York, when the Branch is drawing on New York for the amount. On the other hand, if the funds are remitted to Montreal, the Sterling Exchange must be purchased through the Montreal Branch, and if drafts are drawn on Montreal, the Sterling Exchange must be sold in Montreal. In any case, any Branch requiring to either buy or sell Sterling Exchange through the New York Agents or the Montreal Branch, must give instructions to that effect direct to the New York Agents, or the Montreal Manager, and these instructions must be recorded on the bottom of their Daily Statement to the Head Office, giving the date and the amount which is to be bought or sold.

The above instructions do not prevent any Branch from entering into special operations for the purchase or sale of New York funds, so long as such transactions are either covered by the Branch itself, or through some other Branch, at the market rate of the day.

**New York
drafts and
remittances.**

The Branches are to show at the foot of their Head Office Daily Statement, the total amount of their daily drafts on or remittances to New York—

NEW YORK DRAFTS & REMITTANCES. *15 Feb 1917*

It has been decided that, in future, the Branches will be debited or credited, for their transactions in New York exchange, in the rates quoted in the latest advice of rates received by them on the date the transactions occur. Please, therefore, cancel the General Manager's Circular No. 1225 of March 26th, 1913, and substitute the following, viz; Paragraph No. 3, Rule 223, Book of Circular Instructions has been amended to read :-

"The Branches are to show, at the foot of the Head Office Daily Statement, the total amount of their daily drafts on, and the total amount of their daily remittances to, New York & San Francisco, also the ~~date~~^{number} of the latest advice of rates received by them.

"The Accountant's Department will debit or credit each Branch the exchange on any difference between the drawings and remittances in excess of \$5,000 at the rate of the latest advice received by the Branches or Agencies, at the date the transaction went through.

It is to be distinctly understood that exchange will be calculated on the transactions of each day, and the Branches will not be permitted to offset a series of transactions on consecutive days.

In the case of any specially large transaction where the Branch has not provided cover it will be necessary to telegraph to the Montreal Branch for the rate at which the transaction can be covered.

It will still be necessary to telegraph New York, in accordance with Rule No. 121, when drawings on them for \$20,000.00 or over, unless cover has been remitted.

S.O.B.Cir: 8 203.
Feb. 20/17.

such totals to consist only of items amounting to \$5,000 each, and over. The Montreal Branch will charge or credit each Branch the exchange on these transactions at the market rate ruling in Montreal on the date of receipt of the Head Office Statement or on receipt by them of advice by telegraph of any special large transactions.

The New York and San Francisco Agencies will pursue a similar course with reference to their drafts on or remittances to the Branches in Canada.

CLEARING HOUSES.

224. Returned Clearing House items are to be charged to an Individual Ledger Account called "Clearing House Items Returned."

Error Slips

225. Clearing House error slips are to be signed by both the Manager and Accountant, or Officer authorized to sign as such. In no case must the Teller be allowed to sign such slips.

Verification of Payments.

226. The total amount sent into the Clearing House must be compared by the Manager, with the total payments received by the Teller.

227. The Officer examining the Teller's Cash must see, on the following morning, that the Clearing House settlement is correct by verifying the total payments received by and from the Clearing House with the total of the items appearing in the Teller's Blotter, allowing for any items which may have been added from the letters received in the morning.

Counting of
Clearing House
Deposits.

228. At Branches where the deposits with other Banks are made and received through the Clearing House, the same procedure as regards counting, sealing and delivery laid down in Rule 241 must be followed.

BANKS.

Settlement of
Balances.

229. Balances due to the Bank on daily exchanges must be settled each day unless authority is received from the General Manager to allow them to stand over.

CASH.

Examination
of Cash
defined.

230. The responsibility for the whole cash resting upon the Manager, the term "examine" when applied to it must be considered to imply such an investigation as would satisfy him that there could not be a deficiency of \$100 in the Teller's cash, when placed in the vault at the close of the day.

Teller's
Cash Box.

231. The Teller's cash box must have two locks, one key to be kept by himself, the other by the examining officer, who will see the box deposited in the safe at the close of his examination. The Teller must see his cash box taken out of, and deposited in, the safe.

Teller's
private cash.

232. No Teller must on any account put his own money into any receptacle containing the Bank's cash; should he do so, no claim for such private money will be allowed under any circumstances.

Deficiency in
Teller's cash.

233. Any deficiency in the Teller's Cash may, if necessary, be charged to Cash Short Account, but must be reported to the General Manager, even

though the Teller should at once make good the amount. Every means must be employed to trace such deficiency on the evening of the day on which the mistake occurs, and the entry in Cash Short Account must be made not later than the following morning.

234. The balance of a Teller's Cash Short Account is to be transferred to the Branch to which he may be removed. If a shortage is not found, the Teller must pay up by monthly instalments, but no balance at his credit in Risk Account must be transferred to Cash Short Account without authority from the General Manager.

Surplus in
Teller's cash.

235. Any surplus in the Teller's cash must in like manner be credited to Cash Over Account, and reported upon in the same way as with Cash Short.

For the purposes of record, Managers must advise the General Manager of the full particulars of all errors, which have been discovered, and which necessitate credits to cash short-account and debits to cash over-account.

"Cash over"
and
"Cash Short"
Accounts.

236. "Cash Over" and "Cash Short" are General Ledger Accounts, and must appear in Returns under Sundry Accounts.

Teller's box.

237. No officer shall enter the Teller's box except the Manager. The door of the box shall be made to close with a spring and have a spring lock opening outside with a key.

238. When a Teller leaves his box temporarily,

an officer must stand in front of the box outside the counter, and must overlook the box during the Teller's absence. For further safety it would be well for the officer to be armed.

**Taking over
Teller's cash.**

239. When the Teller is handing over his cash to another officer he must remain in the box while it is being counted. The officer taking over must sign the blotter as evidence of having found the cash correct. In case of emergency, where the Teller cannot be present, a notary must be called in to witness the counting.

Daily examination of cash.

240. In conducting his daily examination of the cash in the hands of the Teller, the Manager should check it off with the Teller's blotter, his initials appearing as evidence of his having done so.

**Parcels for
other Banks
and for
Express
Company or
Post Office.**

241. The parcels of notes and cheques to be deposited with other Banks each morning must be counted by another officer besides the Teller, and sealed up in the presence of both of them. They are then handed to the officer and messenger making the deposits at other Banks, who, carrying them in a satchel with a chain, deliver the parcel at each Bank, receiving an acknowledgment for the same, and later on bringing back the proper receipt in words and figures in the Pass Book. This book shall then be examined by the Teller to see that the correct sum is credited. Deposits made by other Banks must be checked by two officers, and the Accountant shall enter them to their credit in the Pass Books from the vouchers to be handed him by the Teller. The Officer accompanying the Messenger, when carrying Bank parcels, Balances after Set-

**Officer to
be armed.**

lements, or parcels to the Express Co's. Office, or Post Office, must be armed with a revolver. The two must be in sight of each other from the time they leave the office until they return. When the Messenger is not sent, two officers must attend to the above instructions.

**Amount of
Teller's cash.**

242. The Manager will see that the cash in the hands of the Teller does not increase beyond the amount required for the reasonable daily needs of the business of the Branch. Any balance over and above that amount must be transferred to the Treasury.

**Amount of
Reserves.**

243. Branches will keep reserves of specie and legal tenders equal to one-third of their immediate liabilities, but unless otherwise instructed the total reserves are not to exceed 40% of immediate liabilities.

**Proportion of
Dominion
Notes**

244. The proportion of Dominion Notes to the total Cash Reserves must never be allowed to fall below 50%. If at any time, through an unforeseen demand, Dominion Notes are reduced below that proportion, the General Manager must be advised by telegraph, in order that the difference may be adjusted in Montreal.

The Branches must avoid the possibility of the average amount of Reserves during the month being less than the amount held on the last day of the month.

**Custody of
reserves and
securities.**

245. The reserve supply of cash at the Branch and the Securities must be kept in the joint custody of the Manager and Accountant in the treasury com-

partment of the safe. In order to definitely fix the responsibility no officer who has charge of the Treasury cash or Securities is allowed to absent himself without handing over the same to another officer, who must count over in detail and sign the Treasury Book, changing the combination and forwarding the new combination to the General Manager's office or to some other Branch, according to instructions in force.

Safe.

246. The safe must not be opened except in the presence of all of the officers responsible for the contents. Immediately after the Teller's cash and the bills required for the day's business have been given out in the morning the safe must be closed and the combinations thrown off. Should it be necessary to open the safe during the day the same procedure must be followed. The Treasury compartment must never be opened, remain open, or be closed, unless all the officers holding safe combinations or keys giving access to it are present.

Treasury compartment.

Daily statement.

247. In order to ensure the correctness of the statement of the Bank's circulation sent to the Government the tellers must be careful to sort out every note of this Bank at the close of each day so that it may show as "On hand" in the Daily Statement.

Remittances of this Bank's notes.

248. In order to avoid the trouble and expense of the Montreal Branch covering Accounts of Branches that appear to be overdrawn, through remittance of this Bank's notes to another Branch, the despatching Branch will, in future, simply debit "Notes held account Montreal" (advising Montreal Branch of the denominations of the notes and the name of the receiving Branch) the receiving Branch crediting "Notes held account Montreal" if notes are to go

into the Treasury, otherwise crediting Montreal Branch and covering account where necessary, advising Montreal Branch in either case. The despatching Branch will see that remittances are promptly acknowledged by the receiving Branch. Before granting applications from other Banks or outside parties to be supplied with this Bank's Notes, the matter must be referred to the General Manager or Superintendent of Branches.

Cost of
moving notes.

249. All the expenses connected with movement of the new issues of the Bank's notes, expressage, insurance, etc., are to be debited to the Montreal Branch and advice sent in time to reach Montreal before the close of each quarter.

Torn notes.

250. Tellers must gum, not pin together, torn notes.

Unsigned
notes.

251. When unsigned notes are held at the Branches it will be necessary to distinguish between the unsigned and the signed notes in the Weekly Statements of Assets and Liabilities, as well as in the Fortnightly Balance Sheets. This is made necessary by the By-laws of the Canadian Bankers' Association and the Managers must be careful to see that it is strictly carried out.

Old note
circulation.

252. A record of the old Branch Note Account must be kept at each Branch, showing the daily amount of old Branch notes in circulation, which will be copied into the Government Statements. This will be a memo-record, and will not appear in the Ledgers, Balance Sheets, or other Statements. In order that each Branch may show the exact daily amount of its old notes in circulation, Managers will send to other Branches by registered mail, insured, on date of receipt, any old notes of those

Branches which may be redeemed by the Tellers. In the Weekly Statement of Assets and Liabilities the Old Note Circulation need not be considered as an immediate liability.

**Unissuable
notes.**

253. Unissuable notes must be cancelled, specified, and remitted, in accordance with the instructions given on the printed card supplied to the Branches, for the safe keeping of which Accountants are held responsible.

**Mutilated
notes.**

254. According to Section 72, sub-section 2, of the Bank Act, Mutilated Notes, whether of the Dominion of Canada or of Chartered Banks, are not to be paid out. It will be necessary for the Tellers to exercise care not to pay out such notes, and they must also be careful not to refuse Dominion Notes offered by other Banks unless they undoubtedly come under the meaning of the Bank Act, in which they are described as "torn or partially defaced by excessive handling." Mutilated Dominion Notes need not now be sent to Ottawa for redemption. They are legally redeemable only at the place at which they are stated to be payable, in accordance with the Act respecting Dominion Notes, but any Assistant Receiver General will usually redeem all mutilated Dominion Notes which may be presented to him, irrespective of where they may be payable.

255. Mutilated Notes of this Bank must be submitted to the General Manager or Superintendent of Branches before being cashed.

**Counterfeit
notes.**

256. When Counterfeit Notes come into the possession of the Bank, the word "Counterfeit" must be written several times across the face of the note in red ink, allowing the ink to soak well into the

paper. It has been found that impressions made by a rubber stamp can be obliterated.

"Bank" legal
tender notes.

257. A record must be kept of the large legal tender notes issued for the use of Banks only which come into the possession of the Bank. This record must show the following particulars:—

Date received.

Number.

Denomination.

From whom received.

By whom held (i.e., by the Teller, or in the Treasury).

Date paid out.

To whom paid out.

The Accountant must see that the outstanding notes in the Register agree with the notes on hand at the time of each fortnightly balance.

Remittances.

258. All remittances despatched by a Branch must be made up, specified and recorded by the Teller. They are numbered consecutively, a separate set of numbers being used for each Branch. They are then counted by the Accountant and a clerk, (or where the work of the office would be disorganized by the Accountant being so employed, by two senior clerks) who initial the book containing the specification, seal up the parcel and see that a receipt be got from the Express Company, or Post Office. EACH of the officers who count the contents and seal up the parcels must be able to testify on oath to the contents.

Wrapping of
remittances.

259. All remittances of currency intended for transmission in the mails are to be tied tightly before wrapping and are then to be carefully wrapped in linen-lined wrappers, or linen or other strong

woven material, again strongly tied or stitched after wrapping, and sealed at points of closing.

Sealing of
Remittances.

260. A special seal, kept by the Accountant, is to be used by him for Remittances, and it is desirable that in impressing the wax, the seal should always be made to read in one way, so that the officer could afterwards identify it as made by himself.

Advice and
acknowledg-
ment of
remittances.

261. The Manager must see that the Remittance is duly advised and acknowledged.

Remittances
received.

262. All remittances received must be counted by two officers before being handed to the Teller, each of whom must be able to testify on oath to the contents, as in the case of remittances despatched.

Remittances
near close
of month.

263. It is desirable 'as far as possible to avoid sending remittances from one Branch to another which cannot arrive at their destination on or before the last day of the month.

Weighing
of gold.

264. When Gold requires to be made up for transmission from a Branch, in addition to being counted, each bag should be carefully weighed, and the weights advised. Coins of different denominations should be kept separate as far as possible.

265. When Gold is received from a Branch, it should be weighed immediately, before being placed in the Treasury or sent to the Receiver General's Office.

Silver must
be counted.

266. Silver coin must be counted when received, and made up in bags according to the denominations, the same as with gold.

Examination
of seals on
remittances
received.

267. A money parcel should never be refused when tendered by the Post Office or Express Company, but before giving a receipt for any remittance the seals should be carefully examined.

Remittance
by registered
mail, insured.

268. Remittances of Notes and Securities may be sent by registered mail insured under the Bank's Open Policies upon the following conditions:—

**REMITTANCES BETWEEN POINTS IN CANADA
AND POINTS IN CANADA,**

**AND BETWEEN POINTS IN CANADA AND POINTS
IN THE UNITED STATES.**

Limitations as
to amount.

269. Shipments of Currency, bank or legal tender notes, shall not exceed \$25,000 in each registered package and not more than \$50,000 from any one Branch in one mail.

Packing,
sealing and
despatch.

270. The packing and sealing of the package containing the property insured shall be witnessed by two senior clerks, one of whom shall have charge of same until deposited and registered at the Post Office.

271. The latter part of the above clause must not be understood as canceling the existing rule of the Bank that remittances must be taken to the Post Office by two officers.

Remittances
to the
United States.

272. Remittances by registered mail from Canada to the United States must be made up in envelopes, otherwise they are liable to be sent to the Dead Letter Office or opened by the Customs authorities.

Risks covered.

273. All shipments made by the Bank are covered, whether between the Branches and Agents or between the Branches and other parties, and whether mentioned on the schedule of rates or not.

Securities.

274. Securities to any amount may be sent in one parcel, if necessary, but when practicable they should be sent in lots of not more than \$50,000.

**"Bank" legal
tender notes.**

275. The numbers of Bank Legal Tenders and any other notes of \$500 each or upwards must be recorded.

**Particulars
of securities.**

276. No particulars of securities are insisted upon but the Insurance Company expect the Bank to have some records which would help them to identify any lost Securities.

**Lost
remittances.**

277. In case of loss, the Company would require a sworn declaration from the officer or officers who put up the parcel as to its contents, and a sworn declaration from the messenger, or messenger and clerk who took the parcel to the Post Office, to the effect that they delivered the parcel to the Post Office authorities exactly as they received it.

**Declarations
of insurance.**

278. Insurance on Remittances sent by registered mail as above is effected under an Open Policy with the Marine Insurance Company. The Branches are supplied with blank declaration forms which are to be used in making returns of remittances insured. These returns are to be sent every Saturday to the Montreal Branch with advice of credit of premiums.

**Rates of
premium.**

279. The rate of premium which have been advised to the Branches and Agencies must be considered as strictly confidential.

**REMITTANCES BETWEEN POINTS IN CANADA AND
POINTS IN THE UNITED KINGDOM.**

**Despatching,
etc.**

280. The instructions laid down above for despatching remittances within Canada and the United States will also apply to Remittances between Canada and the United Kingdom.

**Advice of
despatch and
credit of
premium.**

281. Advice of despatch of remittances must be sent on the same day to the London Office. The premiums credited quarterly, except for separate

amounts of £3,000 or over, or when total for quarter reaches £10,000, in which cases the Statement is to be forwarded to London Office immediately and the premiums credited.

Advice
by cable.

282. Cable advice to the London Office will only be necessary for declarations of insurance of £20,000 or over on negotiable and non-negotiable securities.

Rates granted
to other
banks.

283. Should it come to the knowledge of the Manager at any time that other Banking Institutions are receiving more favourable rates, advice must be sent to the General Manager.

Advice of
claims.

284. In the event of any claim arising under the Bank's Open Policies, the Branch concerned should telegraph direct to the General Manager.

VAULTS AND SAFES.

Examination.

Cleaning
of Locks.

285. When it is necessary to have these examined or the locks cleaned, the work must be done by a person duly authorized by the General Manager, unless a capable and trustworthy local man is available. Travelling Agents of Safe Makers must be refused permission to inspect the vault or safe.

COMBINATIONS.

Numbers.

286. In setting combinations officers must avoid numbers running by tens, but should select mixed numbers with a difference of anything over 15 between any two consecutive numbers.

Trial after
setting.

287. After a new combination has been set it should be tried several times before the door is closed and the lock thrown off.

Recording,
sealing and
mailing of
combinations.

288. Combination numbers must be written in cypher, using the words in the General Cypher

Code, and placed in the special envelopes provided for the purpose, which must be sealed with the officer's private seal and enclosed in outer envelopes, and then forwarded by registered mail to the office of the Superintendent of Branches, or to some other Branch, according to instructions in force. In order to avoid defacing the seals the back of the inside envelope must be placed against the front of the other. These instructions must be carried out by the officer himself and the envelope must be posted by him in person.

**Combination
of book safe.**

289. Book safe combinations must be known only to such officers as the General Manager may sanction. They must not be known by Messengers.

**Absence of
holder of
combination.**

290. In the absence of an officer holding a combination particulars of his numbers must be given only to the Manager, under seal; and the safe must be opened and the cash and securities for which he is responsible counted in the presence of a Notary.

**Obtaining
numbers from
another
Branch.**

291. Should it become necessary to obtain numbers sent to another Branch, a telegram must be sent to the Superintendent of Branches, who will obtain the numbers and forward them.

**Keys for
changing
combination.**

292. The keys for changing combination numbers of all locks at the Branch must be kept in the Treasury, and the officers in charge of the Treasury must see that they are replaced there immediately after they have been used.

**Advice to
Sup't of
Branches.**

293. When combinations are sent to or received from another Branch, the Superintendent of Branches must be immediately advised.

**Acknowledg-
ment of
combinations.**

294. Officers forwarding combinations must see that they are promptly acknowledged.

Precautions to ensure strict secrecy.

295. Combinations must not be heedlessly recorded in any place of false security or in any manner which might allow of their becoming known to anyone outside the holder.

Locking of combinations.

296. In locking the safes and vaults each officer must throw off his own lock and turn his own key, and should also try the other locks to make sure that they have been thrown off.

Recalling old combinations.

297. When new combinations are sent for safe keeping to the office of the Superintendent of Branches, or to another Branch, the previous combinations must be described and recalled. When recalling combinations the paragraph recalling same must be countersigned by the Officer whose combination is being recalled.

Setting of combinations.

298. The Managers must see that officers when setting combinations do so in accordance with the printed card of instructions and thoroughly understand the working.

Cleaning of locks.

299. Combination locks must be cleaned at least once a year, and the date on which they were last cleaned must be stated in the Annual Return. After the locks have been cleaned, the combination numbers must be changed.

LOANS AND DISCOUNTS.

Class undesirable.

300. Loans to Churches and Professional men, are undesirable.

Bills on Branch houses.

301. Drafts between Branches of the same house are not to be encouraged, and without special authority should only be taken at short date and for small amounts.

New accounts.

302. The Manager is expected to report any new account to the General Manager, suggesting a limit

within which advances are to be restricted, but, in the meantime, should the customer be deemed desirable and the account promise to be safe and profitable, an advance, not to exceed \$2,000, may be made, provided this limit has not been modified by special instructions, but particulars must be forwarded to the General Manager. A marginal explanatory note is to be made on the Statements when any new temporary advance is made of an unusual or accommodation nature.

"Manager's
discount"
accounts.

303. "Manager's Discount" accounts are not to be opened, and all discount accounts must have limits authorized.

Special
advances.

304. Special advances, or advances to casual customers, or to customers of other Banks, should as a rule be avoided, unless the authority of the General Manager is first obtained. This does not apply to customers of the Bank to whom casual advances have been made and approved of in the past.

Approval of
By-laws of
Cities, etc.

305. Before making advances to Municipalities, Cities, Towns or Incorporated Companies, a copy of their By-laws must be submitted to the Bank's Solicitor, in order to ascertain what their borrowing powers are and what person or persons have power to bind the Corporation or Company by their official acts. Advice is to be sent to the General Manager when this has been done, and his authority procured before any advances are made.

Customers
speculating.

306. The name of any customers who are known to be speculating must be reported at once to the General Manager.

Accommoda-
tion advances.

307. Accounts based upon accommodation paper must not be opened without special authority, and

where such paper is authorized or required to be renewed, the person who signs as security should be required to sign as maker, or the note should be discounted for the accommodation endorser, who should sign the receipt for the proceeds in the presence of an officer of the Bank, and the officer should initial the slip as witness.

Domicile
of notes.

S.O.B. Co. 5314
Jan 24/18

308. Except in the case of first class firms, an endeavour should be made to get all notes discounted ~~made payable~~ in the town in which the maker resides.

Limits.

309. When a limit is assigned to any account, it is understood that it is only to be continued so long as it is considered safe or convenient by the Bank, and Managers will include in their Annual Reports on business a list of discount limits, with their remarks and recommendations (and reasons therefor) so that the limits may be revised once a year.

Limits
exceeded.

310. In cases where limits are exceeded, explanations should be given by Managers in Statements.

311. Limits are to be regarded as the extreme point to which the Court desire an account to run permanently, but from time to time, as occasion may arise, Managers will be at liberty to discount business paper in excess of the limit for temporary purposes only — 10 @ 15% above the limit would be considered a reasonable excess, and one or two months a reasonable time. Should the borrower desire to exceed the limits of amount or time, authority must be obtained from the General Manager. Managers should satisfy themselves as to the temporary nature of the excess and the source from which repayment is expected to be made.

Customers'
Balance
Sheets.

312. Branch Managers, as soon as they receive Annual Balance Sheets of their customers, are to forward a copy of the same to the General Manager, and to the Court, arranged as follows, viz:—

BALANCE SHEET—31 DECEMBER, 1907.

James Brown & Sons, Agricultural Implements, Winnipeg.

ASSETS.

Merchandise on hand (completed implements).....	\$177,124.85
Merchandise on hand (raw material).....	61,267.20
Accounts Receivable	115,819.93
Bills Receivable	219,924.71
Cash on hand and in Bank	8,305.02

Total liquid Assets	\$582,441.71
Real Estate (as per Statement)	141,723.40
Machinery, Tools, Patterns, etc.....	201,349.51
Office Furniture and fittings	9,720.06
Stock in Brown Implement Co.....	1,200.00
	<u>\$936,434.68</u>

LIABILITIES.

Due to Bank of Winnipeg	\$240,000.00
Accounts Payable	23,440.91
Bills Payable	7,000.00

Total liabilities, exclusive of mortgages on Real Estate	270,440.91
Mortgages payable (as per Real Estate Statement). ..	15,000.00
Surplus, 31 Dec., 1906	\$581,743.46
Profits, 1907	69,250.31

Surplus, 31 Dec., 1907.....	650,993.77
	<u>\$936,434.68</u>

Partners:
 Jas. Brown
 G. Henry Brown
 Alex. Brown

SALES, 1907, \$545,873.00

Insurance on Buildings	\$ 95,000
“ on Machinery, tools, Pat-	
“ terns, etc.	147,000
“ on Stock	160,000
	<hr/>
	\$402,000

STATEMENT OF REAL ESTATE

AS SHOWN IN

Balance Sheet of 31 December, 1907.—Jas. Brown & Sons.

		Value.	Mortgage.
Real Estate	Sec. 7—25—4 W2.....	\$ 13,500	\$2,000
“	Sec. 10—29—8 W2.....	11,573
“	Sec. 18—27—2 W2.....	16,000	4,500
“	Fort William—Main St.	4,000	1,500
“	Frankford farm .500 acres	11,900
“	Marquette farm .700 acres..	12,650
“	Garry St.	5,000
“	Warehouse—		
	Main St., Winnipeg.....	67,100.40	7,000
		<hr/>	<hr/>
		\$141,723.40	\$15,000

Advances for a
 “season,”
 e.g., to
 Lumbermen,
 Millers, etc.

Advances to
 Municipalities.

313. When advances granted for the operations of one season, have not run off before advances for the next season require to be made, a separate account is to be opened for the subsequent season's business. This rule also applies to the accounts of Cities, Towns, and Municipalities, where advances have been made in anticipation of Taxes, or otherwise.

"No protest."

314. Bills offered for discount with the condition "No Protest" can only be taken from good customers, who must sign the form of waiver of protest furnished by the Bank.

Distant
accounts.

315. Discount accounts should not as a rule be opened with parties living at a distance from the Branch, or who, from proximity of residence would more naturally transact their business at another Branch of the Bank, or even at another Bank; and bills with country names should be taken cautiously.

Extra rate
of interest
on special
transactions.

316. When loans get into a stagnant condition and have to be repeatedly renewed, or when advances are granted affording no collateral advantage, an extra rate of interest should be charged to compensate for the special character of the transactions.

Demand
notes.

317. Owing to the diversity of opinions held by authorities in regard to the Statute of Limitations as applied to Demand Notes, it is considered advisable to draw notes, whether discounted in the regular course of business or held as a continuing collateral security, at "one day after demand" instead of "on demand." This, however, does not preclude the taking of Demand Notes, provided such notes are not allowed to run over five years from date, the limit held by some authorities as the time of prescription.

ADVANCES AGAINST MERCHANDISE.

Term of
credits.

318. Applications for advances against Produce must be submitted to the General Manager before the opening of the season, and such advances will only be approved of if made for the movement of produce to market. They should be repaid as soon

as sales can be effected, as it is contrary to the practice of the Bank to permit merchandise against which it has made advances to be held for a rise in price.

Form of
advance.

319. The legitimate Produce advances usually take one or other of two forms, viz: Drafts upon houses in Montreal or elsewhere against shipments of Produce, with or without the security of the Produce, as arranged, or Local Notes upon the security of Warehouse Receipts or Bills of Lading, or Forms of Security.

Advances
against
warehouse
receipts.

320. Advances against Warehouse Receipts must be made with great care and under the following restrictions:

I. Only to parties in whom the Bank has full confidence.

II. Warehouse Receipts can only be accepted when issued by Warehouse-keepers, PUBLICLY KNOWN AND ESTABLISHED AS SUCH. The Warehouseman must have no interest in the advances. His character and standing should be approved of and reported upon.

III. Advances on Receipts of Warehouse-keepers whose Warehouses are at an undue distance from the Branch must be discouraged as much as possible.

IV. The goods must be regularly hypothecated against the advances in the form provided by the Bank; and Insurance must be effected in the Bank's name, or the Policy assigned absolutely to the Bank. In order to avoid difficulty in having to apportion the loss on various items covered by a Fire Insurance Policy in case of loss, Managers should, where possible, when taking Fire In-

insurance Policies from customers on goods advanced upon, see that the clause making the loss payable to the Bank does not contain the condition "as their interest may appear." The loss, if any, should be made payable to the Bank absolutely.

V. Satisfactory margin, according to the locality and nature of the advance and the state of the markets, must be required, and the power of sale promptly exercised if margin be not maintained.

VI. When advances are made upon the security of goods in bond it is advisable to take the extra precaution of having the goods transferred on the books of the Custom House to the order of the Bank. Otherwise difficulty may be experienced in obtaining possession of them should it become necessary to exercise the power of sale.

VII. Before making advances against Railway Receipts the Bank should have actual proof that the goods are in the possession of the Railway Company.

VIII. Every opportunity should be taken to ascertain the existence, quality and quantity of goods advanced upon. If the character of the merchandise is such that it would not be possible for an officer of the Bank to check it, arrangements should be made for an independent inspection by some party conversant with the nature of the goods, but such inspection should not be made by any person in any way connected with the owners of the property. Any expense involved in such inspection should be borne by the borrowers.

IX. Any irregularity in connection with goods hypothecated to the Bank must be promptly report-

ed to the General Manager, and searchingly investigated and rigorously treated.

X. In order that the Bank may be in a position if necessary to establish its claim before a Court of Law to goods hypothecated as security for advances, it is essential that the marks on the merchandise, or other means of identification, as for instance particular locality in the warehouse, etc., should be specified on the Warehouse Receipt or Form of Security, and copied exactly in the Letter of Hypothecation.

Advice of
particulars

321. The Branches will also specify on the form sent to the Supt. of Branches containing particulars of advances against merchandise, under the heading "Description, quantity and value of goods," the marks or other means of identification mentioned in the Warehouse Receipt or Form of Security and copied on the Letter of Hypothecation by which the Bank could if necessary establish its claim to the goods. In cases where the property could not be identified the words "not identifiable" must be entered in red ink.

Advances
against
"Form of
Security."

322. The Bank does not make advances on "Form of Security" under Section 88 of the Bank Act except to customers who would be considered good for the amounts without such security. Such advances must not be made without special authority from the Court or General Manager.

323. Where advances are made against merchandise, in order that there may be no question raised as to the fact of actual **advances** having been made, the proceeds should be credited to a No. 2 account. They must not be used to pay off prior advances, or applied to a Current Account which

is overdrawn at the time. Receipts from sale of goods will create a credit balance in ordinary account, and these funds can then be applied to pay off the oldest note running against Form of Security. The notes should if possible be made payable on demand or one day after demand.

**Foreign
Goods.**

324. The "Form of Security" is not intended to cover advances on goods which are not the produce of Canada, unless such goods are for use, by the borrower, as raw material in his business as a manufacturer, as for example, raw cotton, leaf tobacco, etc.

**"Promise to
Give Security."**

325. Advances must not be allowed to run on indefinitely against a "Promise to Give Security" only. This "Promise to Give Security" serves only a temporary purpose and simply legalizes the taking of the Security at a period subsequent to the making of the advance; it does not constitute the security itself, which should be taken as soon as possible after making the advance.

326. Owing to difficulty of identification, it is well to avoid taking Form of Security over specifically mentioned goods, e.g., "10,000 bushels wheat" — "400 bales raw cotton," except in cases, and they will be unusual, where goods under Section 88, can be set apart and kept distinguishable from surrounding goods of a like character, the Bank makes it a rule to take Form of Security in which the goods are mentioned as:—"all the wheat," "all the lumber, logs, etc.," "all the cotton, etc.," and then for information, to get from time to time, an inventory in rough detail of the stock on hand and covered by the pledge.

LOANS.

General
Ledger
accounts.

327. In the General Ledger and in the Balance Sheet "Loans" must be divided into "Call and Short Loans" and "Time Loans."

Classification
of Loans.

328. Loans made to anyone against goods, or made to private parties against Stocks and Bonds are not considered as "Call" loans, although so named. Only Call loans made to Brokers against Stocks and Bonds are to be shown on the Balance Sheet under that heading. In the Government Statement, however, all Call and Short Loans against Stocks and Bonds are to be entered under Assets Nos 12 and 13.

OVERDRAFTS.

Authorization.

329. Current Accounts are not to be overdrawn without the authority of the Manager, or, in his absence, of the Accountant, who must initial each cheque before it is marked by the Ledger-keeper.

Managers should, wherever possible, discourage borrowing by way of overdraft.

To be strictly
temporary.

330. Except in cases where authority has been given, overdrafts must not be allowed, except for strictly temporary purposes, and they should be reduced to as low a point as possible at the end of each month, and at the end of each Half Year every effort must be made to have as few overdrawn accounts as possible.

Information
required.

331. Information regarding Overdrafts (reasons, term, date of granting, security held, rate) must be given in the weekly Financial Statements and Monthly Returns, in the Manager's handwriting or over his initials. Every overdraft, however small,

must be shown in the Weekly Statement of Assets and Liabilities, with the rate of interest charged. The words "Temporary," or "Casual," should never be entered against an overdraft which runs from week to week.

STERLING BILLS OF EXCHANGE.

Bills of
Branch
Houses.

332. Sterling bills drawn by Branch houses in America upon the parent firm in Britain, are not to be purchased without special authority.

Acceptance
of Bills on
Provincial
Towns.

333. Bills drawn upon houses out of London, should be sent direct to the Bank's correspondents for acceptance, except where the Court have ordered otherwise.

Bills sent to
Paris Agents.

334. Bills sent direct to the Paris Agents can be endorsed to them and British stamp duty thereby avoided.

Stamped
Endorsement
on Demand
Bills of
Exchange and
Cheques.

335. All demand bills of Exchange and cheques remitted to London Office are to bear the following form of stamped endorsement, viz.:

Remitted for Collection from
The Bank of British North America
..... Branch

to

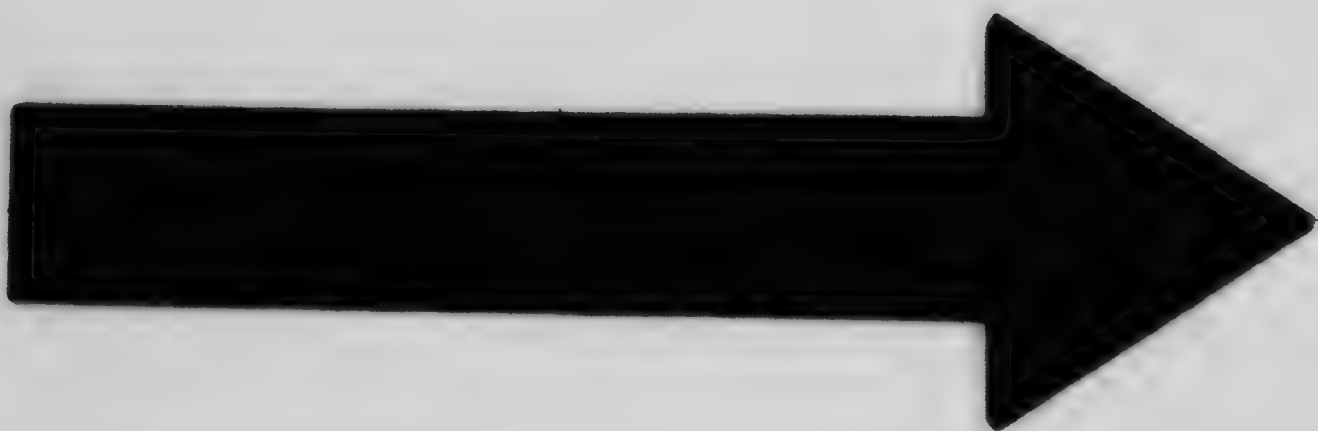
The Bank of British North America,
London, England.

Time Bills.

336. Time bills forwarded to London Office must not be stamped with the above, but endorsed over to the order of the Bank.

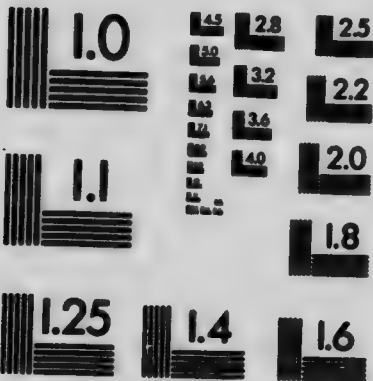
Bills payable
in Scotland.

337. A difference of at least 1-20 of 1 per cent. should be made in purchasing bills payable in Scot-



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land, to cover the commission of one shilling per cent. charged by the Scotch Banks.

Fates and
due dates.

338. The fate and due date of bills drawn after sight will alone be advised to Branches by the London office in future.

It does not appear to be generally understood by the Branches that bills falling due in England on Sunday are payable on Saturday. With regard to Bank Holidays other than Good Friday and Christmas Day, bills are payable the day after, and the two cases mentioned above, the day previous; in the case of Christmas Day falling on Monday, payment is made on the previous Saturday.

It is well also to mention that Bills drawn at three days' sight or under, only require one penny stamp for any amount.

Bills of
Lading.

339. It is desirable that Bills of Lading attached to Sterling Bills of Exchange purchased be drawn to the shipper's order and endorsed in blank.

Disbursement
Bills.

340. Disbursement bills should be avoided as much as possible and only bought from strong endorsers.

Coupons.

341. Coupons sent to the London Office are not to be entered as Demand Bills of Exchange but are to be listed and put through as Time Bills of Exchange Purchased.

Bills must
not be re-sold.

342. Bills of Exchange purchased by Branches and Agencies must on no account be re-sold.

British Bill
Stamps.

343. British stamp duty, at the rate of 1s. per £100, will be charged quarterly to the Branches by the London Office, and by them to their respective exchange accounts.

Returned
Bill.

344. When Bills of Exchange are returned unpaid, they must be debited at once to "Sterling Bills of Exchange Returned," or to Past Due Bill account and shown in the Past Due Bill Lists, and the Court should be immediately advised of the prospects of recovery from the Drawer or Endorser.

Classification
of Bills.

345. In remitting Sterling Bills of Exchange Purchased to the London office, it is necessary to separate the "Demand and Due Bills," from the "Time" or "Undue Bills," keeping a separate set of numbers for each description. Country cheques and Demand Bills not payable in London must be listed among the "Time" or "Undue Bills," as three days are taken for their collection by our London bankers. On the other hand "Date Bills" payable in London, the maturity of which will be reached on or before their arrival in England, are to be listed amongst the "Demand and Due Bills."

BILLS DISCOUNTED.

Manager
to initial.

346. All bills discounted must be initialled by the Manager.

Informal
Bills.

347. Informal or altered bills must not be discounted, and it is desirable to avoid, as far as possible, bills signed with a mark.

Sundays and
Holidays.

348. Bills due on Sundays and holidays are payable on the following day in the Dominion, and discount should be charged accordingly.

Custody of.

349. Bills due locally should be taken over by the Manager as frequently as possible, and at least once a week, each bill being initialled for separately.

Manager's
Bill Case.

350. The case containing the Manager's bills should be kept in the safe, and not be allowed to remain in his office, unless while actually in use.

**Notice of
Maturity.**

351. Notices of the maturity of Local Bills discounted, Collateral Bills on Hand, and Bills for Collection from Branches are to be forwarded to all acceptors or promissors, and on no account are such notices to be handed to a customer to be mailed.

**Bills
discounted
for
Companies.**

352. In no case must the proceeds of bills discounted be handed to an officer of a Company, but they must be placed to the credit of the Company's account and drawn against by cheque in the regular course of business.

This procedure also applies to individuals and firms. If, however, any of the above require the proceeds to be handed to them without first being passed to their credit, the amount is to be credited to a Manager's Account in the Current Account Ledger, and a Manager's cheque given for the proceeds payable to the order of the individual, firm or Corporation.

BILLS FOR COLLECTION.

**Entries
in Register.**

353. The Accountant must see that all bills for collection received through the mail are duly entered in the Collection Bills Register. For this purpose he should collect the letters received each day, satisfying himself by reference to the number entered by the Manager in the Letters Received Book that he has them all, and should then call them over with the Collection Bills Register.

**Paid and
returned Bills.**

354. Bills paid or returned must be initialled for, in the Register, by the Teller, or the Correspondence Clerk, before bills on hand are taken over by the Manager.

**Bills taken
over by
Manager.**

355. Bills due locally should be taken over by the Manager as frequently as possible, and at least once

a week. The Manager must initial for each bill separately and must see that those bills that he does not receive have been duly initialled for by the Teller if paid, and by the Correspondence Clerk if returned.

**Bills paid to
Messenger
in cash.**

356. When a Collection Bill is paid in cash to the Messenger, the cash must be handed to the Teller and a memorandum of the payment given to the Collection Clerk, who will enter the bill in the Daily Bill Book and see that the Teller initials for it.

**Bills from
strangers.**

357. Bills should not be taken for collection from strangers unless a remunerative commission is obtained, and written particulars should be obtained from parties handing them in.

Documents.

358. When bills are received for acceptance or collection accompanied by Bill of Lading or Warehouse Receipt, the documents are not to be given up, unless specially authorized, before payment of the bills. Instructions should accompany the transmission of such documents in every case.

**Returned
Bills.**

359. When a collection bill is returned unpaid, or unaccepted, to a customer, a receipt must be taken in the Book kept for the purpose.

**Collections
on unknown
or weak
parties.**

360. Where a bill is received for collection from another Branch or Agency of the Bank, upon a party unknown at the Branch or known to be weak, this should be reported to the Manager of the Branch from which the bill was received.

**Advice of
Paid Items
and return of
Unpaid Items.**

361. Remittances in payment, or advice of payment of bills and cheques received for collection should be sent on the day the payment is received, and unpaid items should be promptly returned. Drafts issued in payment should, as far

as possible, be drawn on some central point, such as Montreal, Toronto, Winnipeg, or Vancouver.

Collections.
Presentation
to Drawees.

362. Collections must not be returned with the answer that the drawee cannot be found, until every effort has been made to find out the address of the drawee, which can often be ascertained from the Mercantile Rating books, from Telephone Registers, and on enquiry at the Post Office, when the names of drawees are not to be found in the City Directories.

Advice of
delay in
acceptance.

363. In cases of refusal of, or delay in, acceptance of drafts received for collection, notice of same should be sent **at once** to the Branch or correspondent from whom they have been received, and this must be done whether instructions to hold or otherwise, have been received or not, as the omission to do so may cause serious loss, especially should the drawers or endorsers happen to have become bankrupt in the interim.

Rates for
Collecting.

364. In order to meet the competition of other Banks, Managers may collect for the **Bank's own customers** at any rate, or at par as they may see fit; but on no account must they make rates for other than their own Branches.

BILLS REMITTED FOR COLLECTION.

Despatch of

365. Bills Discounted, and Bills Received for Collection, payable elsewhere, should be remitted for Collection as soon as possible. The Correspondence Clerk must initial for each bill separately.

Initialling for

Documentary
Bills.

366. Instructions should in all cases accompany documentary bills remitted.

Collecting
Agents.

367. In selecting Agents for the collection of bills remitted, it is the wish of the Bank that only

the strong institutions should be employed and in no case must the weaker Banks be preferred in consideration of a concession in the rate or in return for bills received from them.

**Reciprocal
arrangements.**

Reciprocal arrangements with other Banks to make collections free of charge must not be entered into by the Branches.

**Bills sent to the
United States.**

No agreement for collecting bills sent to the United States is to be made with any American Bank without the authority of the General Manager.

Items forwarded to The Merchants Loan & Trust Company, Chicago, for collection, must not contain a restrictive or qualified endorsement, unless the same is guaranteed. Such a guarantee will, of course, only be given when the Bank is satisfied that the endorsements are perfectly in order.

**Bills sent to
Foreign
Countries.**

368. In sending bills for collection to foreign countries where the remittances will be made in sterling exchange, instructions should be given to send the first of exchange direct to London Office and the second to the Branch.

**Bills sent to
Private
Bankers.**

369. Authority should be obtained from the customers, on the forms provided by the Bank, to send to Private Bankers bills for collection or remitted bills discounted which are payable at places where there is no Chartered Bank. Such bills must not, however, be allowed to remain any longer than is necessary in the hands of Private Bankers. Bills requiring acceptance should, if there is time, be sent first for acceptance and return.

COLLECTIONS RECEIVED FROM BRITAIN.

Mode of
remitting.

370. All collections received from London Office, except those on account London Office itself, must be remitted by drafts which are to be issued less charges, at the rate at which the Branch is selling bills at short sight. Such remittances must be separately specified in the advice sheet accompanying the letter, and a statement in Sterling identifying the collection and showing the charges, rate of Exchange, etc., be forwarded at the same time.

Collections on
account of
private
parties.

371. When drafts in payment of collections as above are issued in favour of Private Parties, they should be crossed.

Bills and
Coupons on
account of
London Office.

372. Bills and Coupons payable in Sterling, collected on account of London Office, are to be credited in full at the sight rate, and specified and advised in the advice sheet to London Office, and by separate statement in sterling in the same manner as other collections.

Bills, Coupons, etc., payable in Dollars, collected on account of London Office, are to be credited to their "Dollar Account" in New York Agency, with advice.

Rates of
Commission.

373. On bills for Banks, a commission of $\frac{1}{8}$ of 1% (minimum 1|-) is charged. A commission of $\frac{1}{4}$ of 1% is charged to Banks for collecting coupons, bonds, etc.

374. On bills for private parties the charge is $\frac{1}{8}$ of 1% (minimum 1|-). For collecting pensions and other unusual matters $\frac{1}{2}$ of 1% is charged.

375. On coupons for private parties the charges are, commission $\frac{1}{4}$ of 1% (minimum 2|-), postage 1|-, and any notarial charges incurred in London.

1. The first part of the report

2. The second part of the report

3. The third part of the report

4. The fourth part of the report

5. The fifth part of the report

6. The sixth part of the report

7. The seventh part of the report

8. The eighth part of the report

9. The ninth part of the report

10. The tenth part of the report

11. The eleventh part of the report

12. The twelfth part of the report

13. The thirteenth part of the report

14. The fourteenth part of the report

15. The fifteenth part of the report

16. The sixteenth part of the report

17. The seventeenth part of the report

Payment
before
maturity.

376. In the case of bills received from the London Office having documents attached, to be surrendered on payment only, rebate of interest at not exceeding the London discount rate of the day may be allowed in the event of payment before maturity, unless instructions have been received to the contrary.

Advice of
dishonour.

377. When bills received for collection on account of the London Office (B.L.Cs.) are dishonoured by non-acceptance or non-payment, the London Office must be notified by cable. Should, however, any of such bills bear the endorsement of another Bank it will not be necessary to cable except under special circumstances, largeness of amount, etc., or when cable advice is specially asked for.

Exchange of
other Banks
in settlement
of collections.

378. Bills received for collection by the London Office are accompanied by a form in which the following provision is made, "When remittances are made in Exchange other than that of this Bank, a special charge is made therefor of 1-16 of 1%.

The Branches and Agencies are authorized to demand the above charge when payment of bills received for collection from London Office is offered in the exchange of other Banks, and the exchange if delivered should be so drawn that the endorsement of this Bank will not be required in transferring it to the party for whom the collection has been made.

Documents.

379. Bills of Lading, attached to bills received from London Office for Collection, must in the case of acceptance of the bills being refused, be retained until instructions as to their disposal are received from the London Office.

Book for
Special
Instructions.

380. The Accountant must keep a book to record the special instructions given, or which may be given, in regard to collections on account of particular parties; this book must be indexed so as to be easily referred to.

UNITED STATES BILLS.

Demand and
Sight Items.

381. All demand and sight items remitted to New York are to be included in Cheque Lists, and charged direct to the New York Agency.

Time Items.

382. All time items drawn on the United States are to be entered in the American Bills Purchased Register, and are to be remitted to New York as "A. Bs." Payment of these will be advised by the New York Agency on Form 117-E.

Bills sent
direct to
United States
Agents.

383. Advice is to be sent to the New York Agency, giving terms of all bills, demand or otherwise, sent direct to United States Agents for collection, and remittance to the former, for credit of the Branches.

PAST DUE BILLS.

Disposal.

384. Dishonoured bills which are not promptly taken up by the drawers or endorsers must be removed at once from the current bills and be made to appear in the Return. The Manager should see that the parties are notified, and prompt proceedings taken for recovery.

Notice to
parties.

Overdue
interest.

385. Overdue interest in Canada can only be collected at the rate of five per cent. (5%) unless a written agreement exist to charge a higher rate.

Application
of payments.

386. In the event of settlement in full of past due bills or overdue debts, previous partial payments ought to be applied, first towards charges and

then towards interest before being applied to principal.

Every effort must be made to have Past Due Bills satisfactorily arranged, or repaid, before the end of each Half Year.

Prescription. 387. Care must be taken that prescription be not allowed to take place through neglect to take legal procedure.

CABLE TRANSFERS.

Limit. 388. Transfers from and to London by telegraph of sums not exceeding ten thousand pounds sterling are permitted. All telegraphic messages making cash transfers must be checked by a second confidential officer, in the presence of the custodian of the Special Cipher Code.

Checking of messages.

Profit on Transfers. 389. The London Office does not make any charge in the shape of commission for issuing cable transfers. The Branches and Agencies will, therefore, take a profit in the rate of exchange at which these cable transfers are paid. The same remarks apply to Cable Transfers sold by Branches and Agencies. The purchasers in all cases must pay the cost of cabling.

Application for Transfers. 390. Special care must be taken that applications for Cable Transfers are made on the proper form supplied for that purpose (Form No. 106). Before any Cable Transfer is despatched the Manager or Agent must satisfy himself that the order form has been properly filled up, and that the important words "or as he, she, they, may direct," have not been deleted.

**TELEGRAPHIC TRANSFERS BETWEEN BRANCHES
AND AGENCIES.**

Limits.

391. Telegraphic Transfers may now be issued between any of the Branches and Agencies of the Bank. The Branches and Agencies will be advised from time to time of the maximum amount which may be issued either on or by them.

**Transfers
for large
amounts.**

392. Telegraphic Transfers for large amounts must not be made between Branches, unless arrangements are first made with the Branch to be drawn upon.

**Telegraphic
payments
through
other Banks.**

393. In cases where it is desired to make payments by telegram through a Branch of this Bank to some point at which the Bank has no Branch, it will be better for a uniform course to be adopted by all the Branches to cover forwarding expenses, such as telegrams and commissions. The Branches will, therefore, when telegraphing such payments, add the words "without deduction," which will convey to the intermediary Branch the fact that all charges have been claimed by the Branch issuing the transfer, and that the full amount is to be advised on.

**To be shown
in Returns.**

394. Cable Transfers and Telegraphic Transfers on Branches and Agencies are to be shown in the Returns, with the rate charged, in the same way as is done with drafts.

**Copying of
Telegrams.**

395. Cables and Telegrams for transfers of cash must be copied into a book to be retained by the Manager. They must not be copied into the ordinary telegram book.

**Custody of
Transfer
Codes.**

396. The Cable Transfer Code and the Branch Telegraphic Transfer Code must be retained in the custody of the Manager.

Confirmation
by letter.

397. Cable Transfers and Telegraphic Transfers on Branches and Agencies must be confirmed at once by letter, but not in cipher.

MERCANTILE CREDITS.

Terms for
foreign
Credits.

398. Foreign Credits to be drawn on the Court upon security of Bills of Lading or otherwise, can be arranged on the following terms; which must not be reduced without special authority from the Court or General Manager:—

Drafts not over 2 months $\frac{1}{2}$ of 1%.

Drafts not over 3 months $\frac{3}{4}$ of 1%.

Drafts not over 4 months 1%.

Drafts not over 6 months $1\frac{1}{4}$ %.

Insurance on
shipments
under
Credits.

399. When shipments of Goods under Mercantile Credits are covered by insurance on this side, the Policies must be handed to the Manager by the Grantees of the Credits, or the Manager should satisfy himself that Independent Policies have been taken out, and that the amount applicable to the Credits are held by the Grantees on behalf and for account of this Bank. Credits will not be granted to parties who are their own underwriters.

400. Credits on Europe, outside the British Islands, on which the insurance is to be effected by the shippers, must bear the stipulation, "And policies of insurance of an English Company to be approved of by the Court of Directors."

401. When issuing Mercantile Credits which call for the care of insurance on the various shipments by parties abroad, instead of stating "Insurance in order in London" (or elsewhere according to the domicile of the shippers) the following clause must

Mercantile Credits.

In future please give in your Monthly & Quarterly Liability Returns, the particulars of Mercantile Credits current, which were formerly shown in the Monthly Routine Return, from which it may in future be omitted.

It will be necessary for you to raise the following headings at the end of your Monthly and Quarterly Liability Returns:-

Mercantile Credits.

Amount Accepted	Amount	Value of Goods
-----------------	--------	----------------

Name, and not yet paid.	Unaccepted.	Surrendered.
-------------------------	-------------	--------------

\$

\$

\$

Remarks.....

be inserted on the margin of the Credit:—"Insurance to be cared for by the shippers, the Policy of Insurance to be approved by the Bank."

Specification
of Goods.

402. In cases where it is difficult to mention the kind of goods to be purchased under Credits the rule that the description of goods must be specified need not in every case be enforced. When goods are surrendered on Bailee Receipts the marks and numbers on the Bills of Lading must be copied on the Receipts in order that the Bank may be able to identify the goods should it become necessary to follow and seize them.

Special
conditions.

403. Conditions concerning which the Court cannot possibly satisfy themselves, and for which the Bank cannot assume responsibilities, must not be inserted in Credits. These special conditions should be a matter of arrangement between the purchaser and the seller of the goods. Managers will decline to insert special clauses or to alter the ordinary terms of the Credits.

Opening
Credits by
Cable.

404. In opening credits by cable the words for **amounts** in the Cable Transfer Code will be used instead of those in the General Cipher Code. This applies to Cables from the London Office or from the Branches and Agencies.

GENERAL CREDITS.

Terms.

405. The Branches and Agencies are authorized to establish General Credits for the use of customers at any of the establishments of the Bank on this side or at the London Office. The charge for such Credits is regulated by the character of the services required from the Bank. In cases where the terms

Mercantile Credits. Rule No. 404A.

"Branches and Agencies will advise the London
"Office Manager of the date on which each
"acceptance under a Mercantile Credit is
"settled for by the customer; quoting, at the
"same time, the rate at which settlement has
"been made. "

B.O.B. Cir. dated 16th Feb. 1915.

Specification
of Goods.

Special
conditions.

Opening
Credits by
Cable.

Terms.

100

1950

5 11725

100-100000

SECRET

11-11-60

1950

1944-45

of the Credit simply involve the payment of money the usual charges are:—

For Credits in Canada or the United States, except at Dawson, $\frac{1}{4}$ @ $\frac{1}{2}$ of 1% commission.

For Credits on London Office, $\frac{1}{2}$ of 1% commission and interest from date of payment in London to date of re-imbursement there.

Where the Bank is required to undertake some additional duty the charge should be correspondingly increased.

Credits on
London
Office.

406. In establishing General Credits authorizing the London Office to cash the cheques of a customer, the Branches and Agencies must stipulate that such cheques are to be drawn on the London Office, and not on the customer's firm.

TRAVELLERS' LETTERS OF CREDIT.

407. The following Branches have been provided by New York Agency with Travellers' Letters of Credit, which are to be held by them in their securities, at a nominal value of \$1 each, in joint custody on account of New York Agency, viz:—

Brandon.
Calgary.
Halifax.
Hamilton.
London.
Montreal.
Quebec.

San Francisco.
St. John.
Toronto.
Vancouver.
Victoria.
West Toronto.
Winnipeg.

Terms.

Terms for these Letters of Credit are:—

Paid for in Cash.

Against Guarantee.

Against Deposit Accounts.

Against Deposit of Securities.

When paid for in cash, the amount, together with $\frac{1}{2}$ of 1% commission, is to be credited by the Branch selling the same to the New York Agents, at the rate of exchange at which it has been sold, with advice to New York. All drafts cashed under a Credit sold on time, against Guarantee or Deposit Accounts, or Deposit of Securities, when paid by the London Office will be debited to the New York Agency, who, in turn, will charge the issuing Branch the amount, with advice, plus their commission of $\frac{1}{2}$ of 1%. The charge to the customer for such credits is 1%.

CORRESPONDENCE.

Postal-Cards.

408. Postal Cards are not to be used for any purpose except acknowledging letters received.

Letters to Court.

409. All correspondence in connection with routine and current business, is to be addressed to the London Office Manager, press copies of which are to be sent to the Superintendent of Branches; but all correspondence of a confidential nature, or in connection with new business, or such as would naturally have to be submitted to the Court of Directors for consideration, is to be addressed to the Secretary, copies of which are to be sent to the General Manager.

Advice of Sterling Transfers.

410. In letters to Court, the Branches will show the rate of exchange for cable transfers therein ad-

vised, and also the term for sterling transfers — 60 days or demand.

European
correspond-
ence.

411. Letters or remittances to persons or firms in Europe must be forwarded through the London office.

Reports on
European
firms.

412. In making enquiry of the Court in regard to the standing of firms in Europe, it is necessary to give their addresses as fully as possible, stating their business, etc., also, where practicable, the name of their bankers.

Letters of
introduction.

413. When a letter of introduction is given to a customer proceeding to Europe a specimen of his signature ought to be forwarded for identification.

Numbering
of Letters.

414. Official letters to the Court and the General Manager should bear a running number, and each separate subject alluded to should bear a paragraph number. The numbers of letters and paragraphs should commence with "1" each year.

Letters to
General
Manager.

415. Press copies or duplicates of all letters to the General Manager, must have the name of the Branch stamped on them, and must be sent direct to the Court by the Manager.

Circulars.

416. All Circulars, from the General Manager, the Superintendent of Branches, or the Superintendent of Central Branches, must be acknowledged on the day of receipt.

Letters to and
from Superin-
tendent of
Central
Branches

417. Copies of all the official correspondence, including letters and communications between the Su-

perintendent of Central Branches and the Branches in Central Canada, are to be forwarded to the General Manager. Copies of letters only between the Superintendent of Central Branches and the Branches in Central Canada, are to be forwarded to the Court, but copies of communications are not to be forwarded to the Court.

Letters
to General
Manager.

418. The only communications to be addressed to the General Manager are official and private correspondence.

Catch-words.

419. In correspondence with the Court or the General Manager re the standing of firms, the name of the firm must be given in the paragraph, or put in as a catch-word at the side.

Press copies.

420. In sending press copies of statements or letters to the Court, the General Manager, or the Superintendent of Branches, care must be taken to see that they are perfectly legible, otherwise hand copies must be sent. These instructions apply especially to the press copies of the Manager's letters to the General Manager which are forwarded to the Secretary.

Letters to
Branches.

421. Letters between Branches should be numbered, a separate set of numbers being used for each Branch and commencing with "1" each year.

Payments
advised by
Letter.

422. When a Credit for the payment of money is established in an official letter, without the issue of a draft, the paragraph must be countersigned by the Accountant, or at any Agency by the Second Officer. Paragraphs confirming telegraphic transfers must also be countersigned as above.

Telegrams
in plain
language.

423. Great care must be exercised in acting upon telegrams received in plain language requesting return of bills or waiving protest. The Bank would be held responsible should such telegrams turn out to have been forged or unauthorized.

Telegraphic
Cipher.

424. The Telegraphic Cipher must be retained in the custody of the Manager. Messages should be confirmed by letter, but not in cipher.

Cost of
Telegrams.

The cost of telegrams is debited to "Charges" unless recoverable from a customer on whose business they are sent, or specially applicable to some particular account, as, for instance, "Exchange."

Cable
Address.

425. For the use of the public the word "Brit-bank" has been registered with the Canadian Pacific Railway and Great Northwestern Telegraph Companies as a cable address for the Branches, and the word "Toboggan" as a cable address for London Office.

Telegrams
to General
Manager.

426. Telegrams to the General Manager must be prepaid, and should be addressed as follows:—

"H. Stikeman,
General Manager,
The Bank of British North America,
Montreal."

Telegrams to
Superintendent
of Branches.

427. Telegrams to and from the Superintendent of Branches must be commenced with the cipher word for the letter "S," and confirmation of same will be sent to or by, the Superintendent of Branches. Telegrams signed with the personal name of the Superintendent of Branches, without

the above catch-word, are to be confirmed to the General Manager, unless they begin with the word "Personal," in which case they are to be confirmed to the sender. All telegrams to the Superintendent of Branches must be prepaid.

Letters not to
be sealed with
wax.

428. The envelopes covering the correspondence and enclosures passing between the General Manager's Office and the Branches, inter-se, are not to be sealed with wax, but all Registered letters and Returns are to be sealed with the ordinary Branch Seal, and remittances of Notes are to be sealed with the Branch Remittance Seal.

Letters to
United States.

429. Letters addressed to the United States must have the name of the State inserted on the envelope.

Envelopes.

430. The Accountant must see that envelopes bear the Branch Stamp, and are properly secured before being posted.

Register of
Letters
Received and
Despatched.

431. A book must be kept at the Branch in which letters received and despatched are recorded, with the initials of the party delivering or mailing them.

Numbering
of Letters
Received.

432. The Manager when opening the letters received shall mark each one with the day of the month and a consecutive number, beginning afresh each day as e.g., 27—1, 27—2. He shall then make in the Register of Letters Received and Despatched a memorandum of the last number used.

PAYMENTS BY ADVICE, ETC.

Bank's
Charges.

433. In retiring in London acceptances of customers, or making payments by advice, the sight

rate should be charged. It is usual to obtain a commission of $\frac{1}{8}$ of 1% in addition.

Accounts of
Canadian
Houses with
London Office.

434. Respectable Canadian Houses can open Current Accounts with the London Office, through which accounts their acceptances domiciled at the London Office can be retired free of commission, on the following conditions:—

Form of
Deposits.

I. That the deposits will be made in the form of Bank Exchange (to be in the main the Exchange of this Bank), which will be discounted by the London Office at the Bank of England rate. A charge must be made in the shape of commission of $\frac{1}{8}$ of 1% when remittances are made in this Bank's Exchange, and $\frac{1}{4}$ of 1% when made in Exchange of other Banks.

Commission
on
Remittances.

No interest
allowed.

II. That no interest will be allowed on the Current Account balances.

Rates on
payments
advised by
letter.

435. When money is received at the London Office to be advised out by letter, the London Office will in every case stipulate that the payment shall be made at the rate of Exchange at which the Manager is paying letters of credit.

London Office
payments,
drafts, etc.,
expressed
in currency.

436. Payments, drafts, letters of credit and cable transfers sold by the London Office and expressed in currency are to be charged to the New York Agency for debit of the London Office Dollar Account with that office, with advice to both New York and London Office.

Annual
Order.

STATIONERY.

437. The Annual Order forms for Stationery, Returns and Engraved Forms are sent to the Branches in duplicate.

438. One form is to be returned to the Superintendent of Branches as soon as possible, as delay on the part of one Branch detains the whole order.

439. The other form is to be retained at the Branch for the purpose of checking the order when executed.

440. The period to be provided for by the Annual Orders commences from the 1st September following the date of the order.

441. A list of the Spare Books, i.e., books on hand but not required at the Branch, is to be sent with the Stationery Order each year.

442. The Accountant will be held responsible for the stationery on hand and ordered.

443. Invoices will be sent with Stationery supplied from the General Manager's office. Branches will thus obtain prices for the valuation of stationery on hand. The accounts will be paid quarterly.

444. Want of care in the matter of ordering stationery will be especially enquired into.

445. When the Annual Order has been executed, the Superintendent of Branches should be advised by each Manager if it has been satisfactorily done.

Supplement-
ary Orders.

446. The practice of obtaining stationery from local stationers and peddlars is against instructions, as well as contrary to the rule and economy of the Bank. In future the rule must be strictly followed, and all supplementary orders for stationery (ink

STATIONERY.

Commencing with December 31st, 1913, the Stationery will be supplied to the Branches every six months, instead of once a year as formerly. The Requisitions are to be made up at the 31st December and the 30th June, with the Inventory of Stationery on hand, so that a Requisition will accompany each inventory to the Stationery Department. The Requisition which will be sent you in December next, is to provide for your requirements from June 1914, to December 1914, and the requisition which will be sent you in June 1914, will be for supplies from December 1913 to June 1915. Orders are to be filled in May and October of each year, and as under the new system, the time will be short for the manufacture of supplies, it will be necessary to have the requisitions sent in as promptly as possible. This arrangement does not apply to the following branches:- which will continue to make their Requisitions for one year's supply of Stationery at the 31st December of each year, viz:-

Dawson.

Fort George

Quesnel

150 Mile House

Prince Rupert

and mucilage excepted) sent to the General Manager's office. Charges resulting from neglect of the Bank's rule will not be allowed.

Stationery for
Inspector.

447. Each Branch will be furnished with a supply of stationery for the use of the Inspector. The Accountant must see that the forms are properly taken care of, and after each inspection he must send to the General Manager's office a list of the forms remaining on hand in order that the supply may be kept up.

ENGRAVED FORMS.

Orders for
Forms.

448. Orders for engraved forms must be sent to the General Manager's Office.

Counting
and custody
of Forms.

449. Upon receipt of new engraved forms, the Accountant must see that they agree with the Invoice, and he will be held responsible for their custody. When counting the forms they should be placed face downwards to prevent defacing the fugitive tint, which is easily smudged by moisture. Reserve forms must be kept in the Treasury Vault under lock and key, to be held by the Accountant. The forms in daily use must be kept in a box, to be locked at night and the key taken charge of by the Accountant.

Statement in
Fortnightly
Returns.

450. At the close of each Return the Accountant must count the forms in daily use and certify the correctness of the Statement in the Return of the number of forms used and on hand. This applies also to Savings Department Books and Bank Money Orders.

PROPERTIES.

How secured
to Bank.

451. When security is required to be taken over a property on behalf of the Bank, the deed must be

drawn in the name of The Bank of British North America. This rule also applies to all Mortgages, Insurance Policies or any other documents taken as collateral security.

Lock-ups in
Real Estate.

452. When Real Estate falls into the hands of the Bank, the Manager should immediately acquaint himself with its value, and, if unproductive, consider how it may be dealt with so as to yield a return. After a careful valuation by the most competent party on the spot, he should report to the General Manager upon the prospects of selling it, and having obtained his authority and a minimum price, proceed to offer it at auction, or take such steps as may be considered most advisable to effect a speedy sale. It must be borne in mind that it is foreign to the business of the Bank, and prejudicial to its interests, to lock up capital in Real Estate.

Custody
of Deeds.

453. When not required for legal proceedings, deeds and securities must be kept by the Bank, and not by the Solicitor.

INSURANCE.

Borrower or
purchaser to
pay premium.

454. When security is taken over buildings or any other property for an old debt, or a sale of such property is effected, the debtor or purchaser must preserve insurance to the extent of the Bank's claim against the property. Such Policies should be drawn in favour of The Bank of British North America. When merely assigned, the Policy might expire or be cancelled, without notification being given to the Bank.

Bank
buildings.

455. All insurances on the Bank buildings and office furniture will be arranged through the General Manager's office. Managers having the use of fur-

Office and
house
furniture.

niture belonging to the Bank are expected to pay the cost of insurance over it.

Builder's Risk
Policy.

456. Where it is necessary to have repairs or alterations made to the Bank's Premises, the Superintendent of Branches must be notified at once so that a Builder's Risk Policy may be taken out and the necessary permission may be obtained from the various Insurance Companies interested, otherwise they are not liable for loss or damage occurring to buildings or their contents while the same are undergoing repairs or alterations.

Loss payable
absolutely
to Bank.

457. In taking Fire Insurance Policies from customers the clause making the loss payable to the Bank must not contain the addition "as their interest may appear." The loss should be made payable to the Bank absolutely.

Assignment
of monies
payable under
policies.

458. As an ordinary creditor the Bank does not possess an insurable interest in the real estate or goods of its customers. Transfers of policies of fire insurance, therefore, should not be taken from customers as security, except where the Bank has a mortgage on the property or holds the documents for the goods insured.

In cases where the Bank has neither a mortgage nor the documents, and it is desired to obtain the benefit of fire insurance, an assignment should be taken of the money which may become payable under the policy.

Notice of such an assignment should be given to the Insurance Co. so as to prevent a customer dealing otherwise with the policy or obtaining payment himself in the event of loss. Although it is not necessary to obtain the consent of the In-

insurance Company, in all cases where receipt of the assignment is not formerly acknowledged, a duplicate of it should be left with the Company, so as to prevent them from raising any question as to the sufficiency of the notice.

LAW PROCEDURE, ETC.

Proceedings
on account of
customers.

459. Proceedings at law must not be taken in the Bank's name for the convenience of customers.

Proceedings
under bill
or deed.

460. When proceedings are taken under a bill or deed, the instrument should be enclosed to the Solicitor in a letter containing instructions, and a receipt obtained.

Notice of
dishonour.

461. The addresses of all endorsers upon Bills Remitted should be given, so that if it becomes necessary to protest, the endorsers may all receive due notarial intimation. Should it at any time devolve upon the Manager to forward any such notice, the clerk mailing it should compare it with the copy addressed to the Manager and endorse upon the copy, that a notice of similar tenor has been mailed by him to, stating the day and hour. The mailing of such a notice should be so recorded in the Register of Letters Despatched, as to identify it with endorsement on the notice retained by the Bank.

Branch
Solicitors.

462. When a Branch Solicitor, in proceeding for the Bank, requires the services of a Solicitor at another place, the Bank's Solicitor at that place should be employed.

Special
Form.

POWERS OF ATTORNEY.

463. Powers of Attorney lodged with the Bank should be drawn upon the printed form specially supplied to the Branches for the purpose.

TRUSTEE AND ESTATE ACCOUNTS.

464. It is not forbidden to take Estate Accounts—but in opening accounts, taking deposits or receiving securities from the representatives of Estates, the individual names of the Executors should appear in the books, statements and returns, as "A., B. and C., Executors of the Estate of the late X." Accounts must not be opened in the books in the bare name of say "The Estate of the late X," without the above particulars being given.

Trust
Accounts

465. Trust Accounts may be opened and securities taken from Trustees. All such accounts should be opened and kept simply in the names of depositors with the addition of the words, "In trust." (See Rule 174.)

REVOLVERS.

466. The Bank has furnished each office with a number of revolvers, which should be frequently inspected by the Manager or Accountant to see that they are kept loaded and in good order, also that they are placed in such a position as to be immediately available in case of necessity.

STOCK ORDERS.

467. No commission is to be charged on stock orders initiated in Canada or United States and sent to the London Office for execution.

*Cancelled
P. of B. Br 249
of 10 July 17*

**Rebate of
Income Tax.**

DIVIDEND WARRANTS.

468. The Form of Dividend Cheque now issued by the Bank is attached to a warrant on which it is stated that "Income Tax has been paid by the Bank to the Government of Great Britain." Should any shareholders apply for the return of this Income Tax a request should be sent to the London Office Manager for the special forms of application supplied by Somerset House for the purpose.

REFERENCES.

Prohibited.

469. Reference by card or printed circular to The Bank of British North America or to any of its Managers or Agents is prohibited, unless with the express authority of the Court or General Manager.

LOTTERIES.

470. The Bank must not be connected in any way with any lottery, through tickets or prizes.

MERCANTILE AGENCIES.

**Books and
Reports.**

471. Each Branch is supplied with the Reference Book of R. G. Dun & Co. or Bradstreets. When detailed information is required it can be obtained through the General Manager's Office or from the local Agencies of R. G. Dun & Co. or Bradstreets. Only the latest books are to be used, and ratings must not be taken from the previous statements.

**Register of
Reports
received.**

472. A Register of all reports received from the Commercial Agencies is to be kept so that there will be no trouble or delay at the end of the year in checking the number secured.

473. Mercantile Agency reports must not be sent to the Court for communication to correspondents, but must be considered strictly private.

474. Reports obtained from Mercantile Agencies received from the General Manager's Office, must be returned to that Office as soon as they have been entered in the Branch Report Book.

CIVIC HOLIDAYS.

Bank to be
kept open.

475. In cases of civic holidays the Bank must be kept open for payment of bills and redemption of notes, or to meet cheques, drafts or Letters of Credit. Civic holidays are NOT legal Bank holidays, and the Bank would be held responsible for damages sustained by anyone through its office being closed.

RETURNS AND STATEMENTS TO BE SENT TO THE SUPERINTENDENT OF BRANCHES.

476. The following periodical Returns and Statements are required and must be promptly despatched:—

Daily: Statements of Cash on hand. Remittances of this Bank's notes received from and despatched to other Branches and Agencies. Balances due to or by other Banks. Bills Discounted and American and Sterling Bills Purchased.

Weekly: I. List of Discounts, etc., to Saturday inclusive. Press copy to be despatched on Monday.

II. Financial Statement up to Saturday evening, to be despatched on Monday.

III. Weekly Statements of Endorsers' Liabilities up to Saturday evening, to be despatched on Monday. (Send press copy to Court by first mail.)

All Liability Statements are to show the occupation of the customer as well as the rate of interest charged on advances.

In making up this last statement a distinction must be made between "Demand" and "Time" Single Name and Accommodation Advances. If the paper is on "Time" the letter "T" must be prefixed, and if on "Demand" the letter "D."

The collateral must in all cases be stated in concise form in the column for Manager's remarks.

In the case of Collateral B.Cs. those falling due in each year must be shown separately, as well as those that are past due,— for example, as follows:—

Past Due Collaterals	\$2,600
Maturing 1908	1,200
Maturing 1909	1,600

and so on.

The Branches must show in the weekly statement of endorsers' liabilities and in the list of liabilities of \$1,000 and over in the Returns, the total amount of sight and demand items discounted for each customer and current at that date, but not posted in the Liability Ledger. These instructions apply in cases where such items, either by them-

selves or in conjunction with other liabilities, amount to \$1,000 or upwards, and at the smaller Branches, \$500 or upwards.

The above will include:—

All Sight and Demand items outstanding in the Branch and Bank Collection Account, if such an account is kept at the Branch.

All Sight and Demand items which may have been charged direct to New York and which have not had time to be paid or to be returned if dishonoured.

Sight Drafts charged direct to London Office which have not had time to be presented for payment.

Bank Cheques need not be included.

Fortnightly: Loose Balance Sheet to be despatched on the first business day following the balance. In the specification of Cash the notes of other Banks and the cheques of other Banks are to be shown separately.

Monthly: I. Government Statement to be despatched on the first business day of the month, together with the copy of the Balance Sheet.

The balances standing at the credit of Money Order Suspense Account, Branch Drafts Outstanding, and Cash Over Account, are to be lumped together and shown under the heading of Liability No. 11. The balances standing at the debit of Bank Furniture Account, Insurance Account, Stationery Account, and Cash Short Account, are to be lumped together and shown under the heading of Asset No. 22.

II. Statement of Promisors. Original and press copy to be enclosed with the Return to the middle or the end of the month, as the case may be.

BRANCH INSPECTIONS

477. When a Branch is inspected the following are required to be forwarded to the Superintendent of Branches by the other Branches:—

1. Lists of Bills held and Bills remitted, as received from the Inspector, certified.

2. Certificates of Securities held and Securities remitted, as received from the Inspector, certified.

A memorandum of the custody of combinations and duplicate keys as received from the Inspector, certified.

RETURNS.

Contents.

478. Returns are intended to furnish to the Court and General Manager a distinct record of the transactions of the Branch or Agency for the period of time comprised in them. They must be neatly written and every entry should be expressed with clearness.

When closed.

479. All the Branches will balance fortnightly, on the last business day of each month, and about the middle of the month, on a day to be fixed by the Manager and not communicated to the Teller until after the close of business. A Loose Balance Sheet must be forwarded to the Superintendent of Branches on the first business day following the Balance.

Middle of
Month
Returns.

480. The following Branches and Agencies will send a Return monthly, made up about the middle of the month, the date to be fixed by the Manager, viz:

Brandon	New York	Vancouver
Brantford	Ottawa	Victoria
Fredericton	Quebec	West Toronto
Halifax	Roseland	Winnipeg
Hamilton	St. John	Yorkton
London	San Francisco	
Montreal	Toronto	

These Branches and Agencies, in addition to the Return at the middle of the month, will also send a Return made up to the 30th of June and the 31st of December, each year.

End of Month
Returns.

481. All the other Branches of the Bank not mentioned above, will send a Return made up to the end of each month.

Inspection
Returns.

482. When the Inspection of a Branch takes place on a date other than that on which the Returns are made up, a full Return is to be sent to the date of the Inspection.

483. The printed form of the Return is so plainly expressed that it is superfluous to enter into any explanations respecting it. A few special directions, however, may be given.

*STERLING EXCHANGE, COMMISSION AND INTEREST
ACCOUNTS.*

Particulars.

484. When an entry in any of these accounts is not provided for under one of the printed headings it must be fully described.

STERLING BILLS PURCHASED.

Bills of Lading. 485. When Bills of Lading are attached to these, the fact must be noted in the Return.

CURRENT ACCOUNTS.

Interest on Minimum Monthly Balance. 486. The names of customers on whose minimum monthly balances interest is allowed are to be shown in Returns, giving rate, minimum monthly balance and amount of interest paid.

CHARGES ACCOUNT.

Authority for expenditure 487. All items in this account must be fully detailed, and when any expense has been specially authorized, this ought to be stated.

BILLS DISCOUNTED.

Renewals. 488. When a bill is discounted in renewal of another maturing, the amount of the old bill should be stated on the margin of the list, opposite the new bill.

Collateral Security. 489. When collateral security is held for a bill discounted particulars should be stated on the margin.

LIABILITY OF PARTIES.

Progressive Changes. 490. The change, however small, in each regular and casual account, must be shown in the statement of Progressive Changes in Discount Accounts. The total of outstanding small sight and demand bills, which have not been posted in the ledgers, must be shown, with the relative change since last Return. A press copy of the Statement should accompany each Return.

Overdrafts. 491. The Statement of Accommodation and Single Name Paper is intended to include Overdrafts which, either by themselves or in conjunction with

other liabilities, make a total of accommodation and single name advances of \$1,000, at smaller Branches \$500 or over.

ENCLOSURES AND DESPATCH.

Vouchers, etc.

Press Copies
and
Statements.

Despatch.

492. The charges vouchers, paid deposit receipts and spoiled engraved forms must be forwarded with each return, also press copies of the London Office Account and of the Statement of Accommodation and Single Name Paper, a Comparative Statement of the Assets and Liabilities showing the financial position of the Branch, and Statement of Branch Drafts Outstanding Account.

493. The Return is to be despatched not later than the evening of the fourth business day after it is closed.

BRANCHES IN CENTRAL CANADA.

Location.

494. The Branches in Central Canada will include all the Branches between the Great Lakes and the Rocky Mountains.

Correspond-
ence with
Superin-
tendent of
Central
Branches.

495. The matters upon which those Branches will correspond with the Superintendent of Central Branches are as follows:—

Bank Premises
Branch Extension

Liabilities
Staff

Correspond-
ence re Loans

496. In corresponding with the Superintendent of Central Branches on the subject of loans, the Branches will, in most cases, get an answer direct from Winnipeg with regard to applications not exceeding \$10,000. When amounts exceeding that sum are involved, the matter will be referred by the Superintendent of Central Branches to the General

Bank Premises Expense & Revenue Account.

Referring to my Circular No. 1220, it will only be necessary to forward a copy of Bank Premises Expense and Revenue Account half yearly to the Sept. of Branches; no copy is required by the court.

Manager, and in due course his decision will be conveyed by the Superintendent of Central Branches to the Branch.

Communication Forms.

497. All correspondence regarding Loans and Discounts, Overdue Debts, Real Estate, Mortgages, etc., is to be written on the special Communication Form which has been provided for use between the Superintendent of Central Branches and the Branches in his territory, carbon copies of which are to be forwarded to the General Manager only. One subject only is to be dealt with on each form, and replies will be similarly confined to a single subject on each form, so that all the correspondence on any subject can be filed away together.

Letters.

498. All correspondence on other matters between the Superintendent of Central Branches and the Branches in his territory, will be written on the ordinary letter forms, carbon copies of which are to be sent to the Court and to the General Manager.

Typewriter.

499. All correspondence of the Branches in Central Canada with the Court, the General Manager, and the Superintendent of Central Branches, as well as their Weekly Statements of Endorsers' Liabilities, will in future be done on the typewriter, and, where copies have to be forwarded, they must be carbon copies.

STATEMENTS TO BE SENT TO THE SUPERINTENDENT OF CENTRAL BRANCHES.

500. The Branches in Central Canada will send to the Superintendent of Central Branches copies of

the following Statements, the originals and duplicates being sent as at present to the Court ^{and} _{or} the General Manager:—

- Daily.** Statement of Discounts, etc., on the special form provided.
- Weekly.** Statement of Endorsers' Liabilities.
- Monthly.** Copy of Liabilities of Customers (page 15) and Accommodation and Single Name Paper (page 18) in Return.
- Quarterly.** Statement of Past Due Bills.
Profit Statement.
- Half-Yearly.** Report on Bank Premises.
Report on Undischarged Debtors.
- Yearly.** Manager's Annual Report on Business and Customers.
Reports on Officers.

PROFIT STATEMENT

In order to facilitate the auditing of the Bank's affairs at the end of the half-year, it has been decided that in future the transfers to London Office (as under) shall be made on the 1st. June & 1st. Dec. instead of 31st. May & 30th. Nov. as heretofore. The Profit Statement, however, is to be made up and despatched as usual. On the 31st. May and 30th. Nov. therefore, you will be good enough to leave the following accounts open in your books:- Exchange, Interest, Commission Charges, Cash Over, Bank Prem., & Revenue A/c, Payments received & irrecoverable Debts, Accounts representing any other amounts recovered which would in the ordinary way be transferred to London Office.

The entries closing out the above a/cs are to be made first thing on the morning of 1st. June & 1st. Dec. and the balances are to be then transferred to London Office. In the case of "Cash Over A/c" the entries and transfer will consist of all amounts which have been outstanding two years at the date of the Balance. A statement showing all the entries making up the amount transferred, is to be forwarded to Court, & a copy to the Supt. of Branches. In the case of the Branch Profit or Loss, the present practice of transferring Exchange, Interest Commission, and Charges separately is to be discontinued, and one amount only, representing the Net Profit or Loss is to be transferred and the entry described as "Net Profit (or Loss) as per Profit Statement".

In future it will be necessary to indicate at the foot of the Profit Statements at the end of May and Nov. the following:-

- (1) Balance at credit (or debit) of Bank Prem. & Revenue Account, to be transferred next day to London Office.
- (2) "Cash Over" to be transferred next day to London Office.
- (3) Amounts recovered (such as payments of Irrecoverable Debts) to be transferred next day to London Office.

in future, please indicate at the foot of the

Profit Statement the amount of interest on Note Circulation received from the Note Issue Dept., using the column formerly allotted to "Interest on New York Reserve"

In calculating Average Capital, on the back of the Statement, please note that the ascertained balance appearing on the H.O. Daily Statement at the credit or debit of head Office Account are to be shown.

In future it will be necessary to indicate at the foot of the Profit Statements at the end of May and November the following

(1) Balance at credit (or debit)- debit) of Bank Premises Expense & Revenue A/c, to be transferred to London Office.

(2) "Cash Over" to be transferred to London Office.

(3) Amounts recovered (such as payments on Irrevocable Debts) to be transferred next day to London Office.

The information regarding Bk. Prem. Exsp. & Rev. A/c will also be required on the Febry. & August Profit Statement though the transfers to London Office will only be made at the half year.

Where it is necessary to telegraph Profit & Loss figures, you will be careful to state whether at the balance of Bk. Prem. Exsp. & Rev. A/c is at the end credit or debit of that account.

.....

MEMORANDUM OF
QUARTERLY, HALF YEARLY, AND ANNUAL ENTRIES,
RETURNS, STATEMENTS, ETC.

QUARTERLY.

1. Debit Montreal with all expenses connected with the movement of this Bank's notes between Branches. Send advice in time to reach Montreal before the end of the quarter.
2. Debit Charges Account with value of stationery used during quarter.
3. Debit and credit interest due on Current Accounts.
4. Collect interest due on Loans.
5. Calculate amount of interest due on Deposit Receipts outstanding, and on Savings Department Accounts.
6. Calculate amount of average Capital employed or supplied. (Balances due to Head Office are to be considered as Capital employed. Notes of this Bank in the hands of the Teller are not to be taken into account, neither is the amount of interest

paid to London Office to be considered in figuring the percentage of the Net Profit to the Capital employed.)

7. Past Due Bill statement, in duplicate, which is to be despatched at the earliest possible moment, but not later than the evening of the second day following the balance. Send both to the Superintendent of Branches, at 31st March and 30th September, and one to the Court and one to the Superintendent of Branches at 30th June and 31st December. The Remarks in these Statements must be altered or amended so that the Bank may know that the Statement contains the latest information. Branches in Central Canada are to send a third copy of Past Due Bill Statement to the Supt. of Central Branches.

8. Rebate Statement. Send to the Superintendent of Branches at the end of each Quarter.

9. Quarterly Statement of Assets and Liabilities, as required by Charter, showing the amount of Specie, Legal Tenders, and Notes of Other Banks held, on the last day of each month of the current Quarter. Figures as at the end of the month are to be entered in the Statement. Original to Court, and press copy to the Superintendent of Branches.

10. Profit Statement, on which must be shown, on the back, the amount credited by New York as interest on the "Reserve Account." Two hand copies, one to the Court and one to the Superintendent of Branches. (Show in red ink at the foot the amount of Bad Debts written off by the Court in the previous year). Branches in Central Canada are to

send a third copy of Profit Statement to the Supt. of Central Branches.

11. Statement of Real Estate, or other Securities, held against Past Due Bills. Original and press copy both to the Superintendent of Branches, at 31st March and 30th September. Two hand copies, one to the Court, and one to the Superintendent of Branches, at the 30th June and 31st December.

12. Statement of Receipts and Expenditures on account Real Estate, (not Bank Premises,) the property of the Bank. Original and press copies both to the Superintendent of Branches.

13. Statement of "Investments" appearing on the Balance Sheet, giving particulars under the following headings:—

Date purchased.
Name of Investment.
Nominal Value.
Purchased at.
Original Amount paid.
Standing at.
Present Market Value.

Original to Court and Press Copy to the Superintendent of Branches.

14. Quarterly Statement of Small Endorsers, to contain an alphabetically arranged list of the names, with business, occupation and rating, of all customers who are Endorsers on paper under discount, and whose names do not appear on the Weekly Statements of Endorsers' Liabilities, to be summed, and

signed by the Manager, with his Remarks, if any, recorded thereon. Original to the Superintendent of Branches. No press copy required.

HALF-YEARLY.

NOS. 1 TO 14 AND

15. Transfer to Montreal, Current Account balances which have been inoperative for one year. Send advice in time to reach Montreal one week before the end of the Half Year.
16. Transfer to London Office, balance at credit of "Irrecoverable Debts" Account, and "Bank Premises" Account, if any, with advice to the Secretary.
17. Credit Interest on Savings Department Accounts.
18. Copy of Balance Sheet with specification of cash. To Court.
19. Copy of London Office Account with Letters of Credit Memo. Account, lists of Time and Demand Bills of Exchange Remitted and Drafts drawn (since last fortnightly return). To the London Office Manager.
20. List of Stationery on Hand to be made up half-yearly in detail, in the books of the Branch and the balance shown in the Annual Returns as formerly. No copy required either by the Superintendent of Branches or the Secretary.
21. Statement made up to 30th June showing the Letter of Credit business for the year ending that

date,—original to the Superintendent of Branches,
—no duplicate required.

22. Statement of Loans with Securities, in full detail. To Court. Press copy to Superintendent of Branches.

23. ~~Certificates signed by the Manager and Accountant of Bonds and Securities held. To Court. Press copy to Superintendent of Branches.~~

24. Report upon Bank Premises in duplicate on Form No. 69 for premises owned by this Bank, and Form No. 69C for leased premises. The original to Court and duplicate to the Superintendent of Branches. A press copy will not suffice.

*bir. 92
23 mar 1912*

~~Branches in Central Canada are to send a third copy of Report on Bank Premises to the Supt. of Central Branches.~~

25. Statement of Overdrawn Current Accounts with Manager's full remarks regarding the position of the parties and the probability of their discharging their indebtedness. To Court. Press copy to Superintendent of Branches.

26. Statement of Advances against Merchandise imported under Mercantile Credits or otherwise, with Manager's full report. To Court. Press copy to the Superintendent of Branches.

27. Report on Undischarged Debtors. The remarks to be altered or amended so that the Bank may know that the statements contain the latest information. Two hand copies, both to the Superintendent of Branches.

Branches in Central Canada are to send a third copy of Report on Undischarged Debtors to the Supt. of Central Branches.

28. Classification of Advances to the Superintendent of Branches. No duplicate required.

29. Statements for Auditors to be certified by the Manager and Accountant and to be despatched direct to the Secretary as soon as possible after 30th June and 31st December of each year, as follows:—

I. Certified totals of Bills Discounted, Bank Collections, Bills Deposited as Collateral Security, with which must be incorporated a Declaration that the Bills Discounted are well spread, and that they have been agreed with the figures in the Bill Books.

II. Certified total of Credit Current Account Balances, together with a Declaration that the balances in the Individual Ledger have been taken out and properly agreed with the figures in the Balance Sheet.

III. Certified totals of Deposit Receipts and Savings Accounts, with a Declaration similar to the one required in the case of Current Accounts.

N.B.—Full particulars are to be given in the last Return of each Half Year of the position of parties having Overdrafts and Accommodation and Single Name Paper, whether in the shape of Overdrafts or Bills Discounted, and it is to be stated what probability there is of such advances being repaid.

Full details of the Suspense Interest Account, if any, are to be given in the last Return at the end of June and December, and also in the Annual Return.

ANNUAL.

NOS. 1 TO 29 INCLUSIVE, EXCEPT NO. 31, AND

30. Statement of Old Deposit Receipts, Current Account Balances and Unclaimed Dividends ap-

pearing in the last issue of the Government Blue Book but paid during the year. To be signed by the Manager and Accountant and to be despatched to the Superintendent of Branches within three days after the 31st of December each year.

Cancelled
S. 206
26 Feb 17

31. Statement of Deposit Receipts outstanding five years or over at 31st December, to be signed by the Manager and Accountant, and to be despatched to the Superintendent of Branches within three days after 31st December each year.

do.

32. Reports on Officers in duplicate — each Report to be properly folded and endorsed — to reach the Superintendent of Branches three days before the ~~31st December~~ *10th November* each year. Branches in Central Canada are to send a third copy of Reports on Officers to the Supt. of Central Branches.

33. Annual Return. Three copies. Two to the Superintendent of Branches and one to be retained at the Branch, to be despatched not later than the 14th of January in each year.

Note.—Collection Bills on Hand are to be entered separately in the Annual Return so that the Manager and Accountant can compare them with the list, certify that they have done so, and that the Bills are in the custody of the Manager.

Collection Bills Remitted need not appear in the Annual Return.

Bills Received as Collateral, on Hand, are to be entered separately and added up, the Manager and Accountant certifying as to the correctness of the

total, which must agree with the balance of the account as shown in the Balance Sheet, and that the Bills are in the custody of the Manager.

Bills Received as Collateral, Remitted. The daily total of these bills are to be listed and added up, the total agreeing with the balance of the account as shown in the Balance Sheet.

34. **Manager's Report on the Branch.** showing the nature of the business transacted as compared with previous years; how the improvement or falling off is to be explained by the state of the country and other causes; and in what direction the Bank's business may be safely extended. Also a report upon each of the customers whose advances amount to \$1,000 or over, \$500 or over at smaller branches, showing what limits have been granted (special or temporary) and stating whether such limits are sufficient or whether they should be increased, reduced, or cancelled—two hand copies—both to the Superintendent of Branches. Branches in Central Canada are to send a third copy of above to the Supt. of Central Branches.

35. **Wipe out balances at debit of Petty Cash Account.**

N. B.—Nos. 7, 8, 9, 10, 11, 18, 19, 22, 23, 25 and 29 are to be sent off immediately.

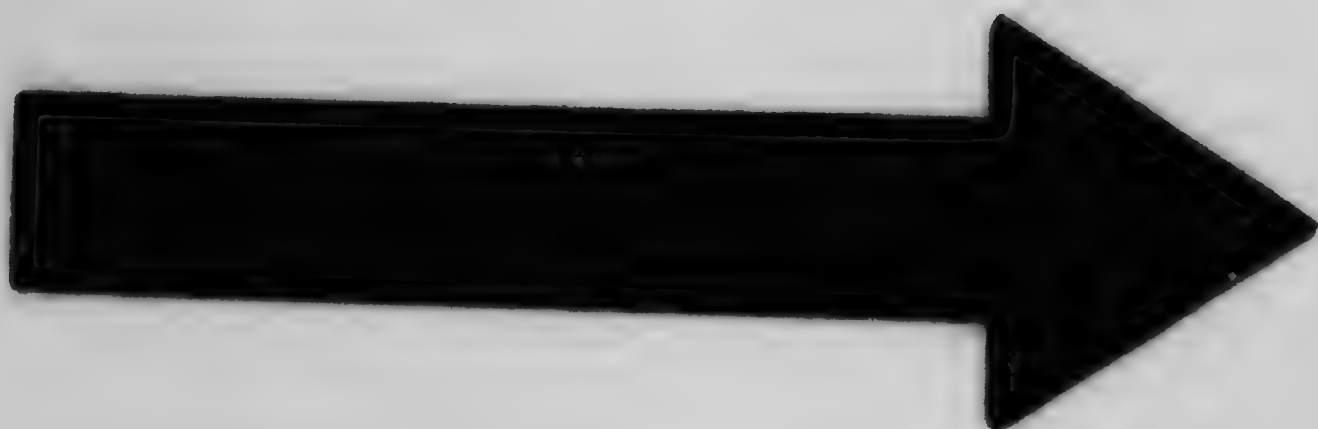
See that the name of the Branch appears prominently on every statement.

Get in Solicitor's account (say June 15th and Dec.

15th) and tradesmen's accounts before the end of each Half Year.

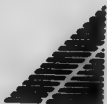
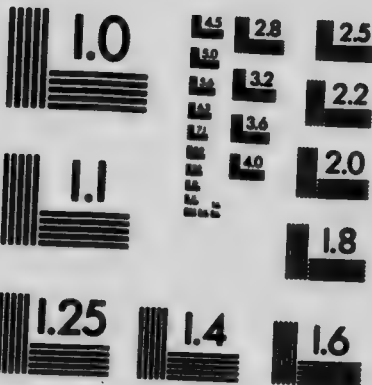
In forwarding the Past Due Bills Statement at the end of the Half Year, attach a report on Mortgages on Real Estate sold by the Bank.

At the end of each Half Year see that the Sterling balance of London Office Account agrees exactly with the dollar balance at $9\frac{1}{2}$.



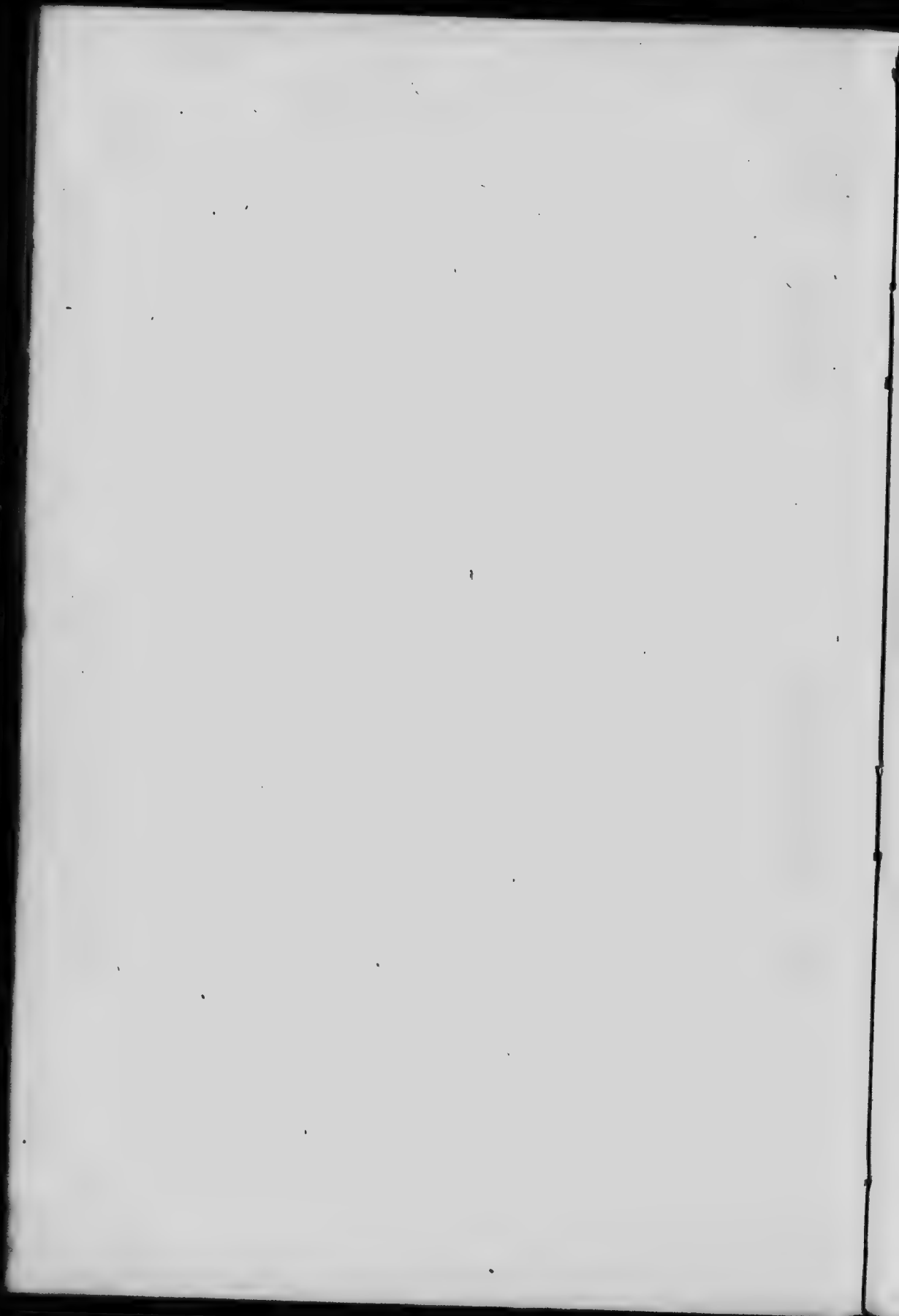
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INDEX.

A.

Abstracts of Charges accounts and Profit accounts.....	193
Acceptances of Customers retired in London.....	433, 434
Accountant	
Duties.....	28
Officers acting as.....	11
Accountantship	
Examination for.....	27
Accounts of	
Canadian Houses with London Office...	434
Cities, Towns, etc.....	66, 305, 313
New	66
Adjusting Interest Accounts.....	192
Advances	
Accommodation	307
Against Merchandise.....	318 to 320
For a Season.....	313
Special.....	304
to casual customers.	304
to customers of other Banks.....	304
to Municipalities, Cities, etc....	66, 305, 313
Agreements	
Officers.....	13
American Bills	
Cheques and Sight Drafts.....	381 to 383
Collecting Agents.....	367
Authority to charge certain items to customers' accounts.....	61 to 64

B.

Bailee Receipts	Marks on.....	402
Bank Collection	Account and Register.	152
Bank Furniture		187
Bank House	Occupation of.....	20
Bank Premises	Back entrance	22
	Builders' Risk Insurance.....	184
	Examination of, nightly	21
	" on Sundays and holidays..	22
	Guarding of.....	22, 23
	Improvement and Repairs.....	183 to 186
Banks, other	Balances due on Daily Exchanges.....	229

Bill Case	Managers.....	350
Bill Registers.....		149
Bills Discounted.....		340 to 352
	Collateral security for.....	489
	Collecting Agents.....	367
	Custody of.....	349
	Dishonoured.....	61, 63, 64
	Documentary, Remitted	366
	Domicile of.....	307
	for Companies.....	352
	Informal or Altered.....	347
	Local matured.....	155
	Manager to initial.....	346
	Notice of maturity.....	351
	Notice of dishonour.....	461
	on Branch Houses.....	301
	on Foreign Countries	368
	on the United States	367
	See also under "American Bills".....	381 to 383
	Rates of Commission on.....	364
	Remitted	365 to 369
	Renewals.....	488
	Returns.....	488
	sent to Private Bankers	369
	Signed with a mark.....	347
	with condition "No Protest".....	314
Bills of Exchange issued, signing of.....		11
Bills payable Book.....		143
Bills received as Collateral Security.....		150
	Substitution not allowed	151
Bills received for Collection.....		153, 353 to 380
	Advice of delay in acceptance.....	363
	Advice of payment.....	361
	Collecting Agents.....	367
	Documentary.....	358, 366, 379
	Entries in Register.....	353
	from Great Britain.....	370 to 380
	from Strangers.....	357
	Handing over to Manager.....	349, 355
	Notice of dishonour.....	461
	Notice of maturity.....	351
	on the United States	367
	on unknown or weak parties	360
	Paid or returned	157, 354, 359

Bills	
Paid to Messenger in cash.....	356
Presentation to Drawees.....	362
Rates for collecting.....	364
Reciprocal arrangement with other Banks.....	367
Remitted.....	365 to 369
Remitted Bill Book.....	156
Return of unpaid items.....	361, 423
sent to Foreign Countries.....	368
sent to Private Bankers.....	369
Telegrams in plain language re.....	423
Blank lines in books.....	36
Books	
Old.....	180
Branch Accounts Head Office.....	205 to 223
Branch Houses, bills drawn on.....	301, 332
Branch Solicitors.....	462
Branches in Central Canada.....	494 to 500

C.

Cable Address.....	425
Cables Transfers.....	204, 386 to 390
Confirmation by letter.....	196, 397, 410
Copying of telegrams.....	305
Custody of Code.....	300
Expressed in currency.....	436
On Dawson.....	107
Absence of Officer responsible for.....	200
Reserve supply of.....	242, 243
“ “ Custody of.....	245, 246
Cash	
Teller's.....	38, 239 to 242
“ Daily Examination of.....	227, 230, 240
“ Deficiency in.....	233
“ Parcels for other Banks.....	241
“ Private cash.....	232
“ Surplus in.....	235
“ Taking over.....	230
Cash Book	
General.....	40 to 48
Teller's.....	34 to 37
Cash Box	
Teller's.....	231
Cash Cipher Code	
Custody of.....	306
Cash Over account.....	234, 235, 236
Cash Short account.....	234, 235, 236
Character Book.....	160 to 171

Charges account.....	183 to 188, 487
Abstract of.....	193
in Return.....	487
Cheques	Acceptance of..... 56
	Chemically prepared forms..... 70
	Marked "Negotiable at Par"..... 58, 59
	Recording Nos. of books..... 69
	Paid, Custody of..... 28, 46, 71
	Paid, Surrender of..... 71, 72
Cheques Received and Despatched Register.....	46, 206
Cipher Code	Custody of..... 390, 424
Circular Instructions, Book of.....	Preface
Civic Holidays.....	475
Clearing Houses.....	224 to 228
	Counting of Deposits..... 228
	Error Slips..... 225
	Verification of Payments..... 226
Collateral, Bills received as.....	149, 351
Collecting Agents.....	367
Combinations.....	245, 246, 286 to 290
Commission account	Abstract of..... 193
	in Return..... 484
Correspondence.....	408 to 432
	Letter's Despatched, Accountant's duty..... 28
	with Dawson..... 199
Cross Entries.....	73
Current accounts	Inoperative..... 80
	Interest on..... 67, 466
	Officers..... 12
	Overdrafts..... 329 to 331
	Verification of..... 64
	See also under Ledger Individual.....
Customers' Balance Sheets.....	312

D.

Daily Bill Book.....	153 to 157
Dawson Branch.....	197 to 200
Debit Slips.....	48
Deposit Receipts.....	81 to 97
	Cultivation of deposits..... 90
	Daily comparison of entries..... 46, 74, 84
	Illiterate Depositors..... 94

Deposit Receipts.—Continued.

Index to Register.....	91
Long outstanding.....	114
Lost.....	93
Maximum amount from one depositor..	90
Notice of withdrawal	95
of other Branches.....	88
Partial withdrawals.....	85
"Payable to either"	89
Payment of.....	83
Payment of interest.....	86, 87
Quarterly calculation of interest accrued	97
Reductions in rate of Interest.....	92
Register of.....	81, 82
Signing of.....	11, 82
Spaces to be filled up.....	130
to accompany application for charter....	96
Deposit Vouchers.....	55
Discount Accounts	
Distant.....	315
Limits.....	309 to 311
Managers.....	303
New.....	302
Progressive changes in	490
See also under "Loans and Discounts".	300
Dishonoured Bills.....	61, 63, 64
Dividend Warrants.....	468
Drafts Drawn	
Advice of	128, 209
Between Branches	210
by L/O expressed in currency.....	438
Daily comparison of entries.	46
Duplicates of lost..	132, 198
Identification of payees..	116, 117, 118
Long outstanding	133
on Boston	122
on Court	124
on Dawson	197, 198
on Glyn & Co.....	126
on New York.....	119, 120, 121, 122, 123, 223
Payment of.....	131, 143
Register.....	115 to 133
Signing of.....	11, 115
Sold to Strangers.....	118
Spaces to be filled up.....	130
Telegraphic advice of.....	121, 122, 125, 127

E.

Engraved Forms.....	448 to 450
Erasures in Books.....	36
Estate accounts.....	464, 465
Exchange account.....	Abstract of..... 183
	In Return..... 484

F.

Failures.....	172
Form of Security under Sec. 88 of the Bank Act, Secs. IV., V., VI., VIII., IX. and X. of No. 320 and Nos. 321 to 323.....	
Furlough.....	Officers'.. 6, 7
Furniture.....	187

G.

General Credits.....	405, 406
General Cipher Code.....	Custody of..... 424
Gold.....	See under Cash..... 243
Guarantee Bonds.....	Messengers..... 14
	Officers..... 13

H.

Head Office.....	Branch Account..... 205 to 223
	Accumulation of funds..... 215
	Alterations..... 219
	Adjustment of Account..... 222
	Advice of drafts issued..... 209
	Balances to be covered..... 216
	Cash Item Lists..... 207, 208
	Certification of Account..... 220
	Cheques Despatched Register..... 206, 208
	Coupons..... 214
	Daily Statement..... 218
	Drafts between Branches..... 210
	Draft Lists..... 208
	London Office Dollar a/c..... 195, 206, 436
	Lost Items..... 221
	New York funds..... 223
	New York drafts and remittances..... 223
	Notes held a/c Montreal.... 213
	Note Remittances..... 212, 222

Head Office.—Continued.

	Outstanding items.....	222
	Payments.....	211
	Returned unpaid items.....	208
	Sterling Exchange orders.....	217, 223
	Sterling Transfers.....	222, 223
Holidays	Telegraphic advice of remittances.....	207
	Civic.....	475
	Officers.....	3, 4, 5

I.

Individual Ledger	See Ledger.....	51
Inspections	Statements required at.....	477
Inspector's Stationery.....		447
Insurance on Bank Buildings, Office and House Furniture.....	184, 455	
on Remittances.....	208 to 284	
on Properties taken as Security.....	454 to 458	
on Shipments under Mercantile Credits.....	309 to 401	
Interest	Extra rate on certain classes of loans...	316
	On Current accounts.....	67, 486
Interest account.....	Abstract of.....	190 to 192
	In Return.....	103
Irrecoverable debts.....		484
		168

J.

Junior Clerks	Not to be placed in responsible positions	33
---------------	---	----

K.

Keys	Duplicate.....	30
------	----------------	----

L.

Law firms	Accounts with.....	65
Law Procedure, etc.....		450 to 462
Ledger Banks.....		51, 53
Branch.....		50 to 54
Discount Progressive.....	51, 52, 53, 158 to 161	
General.....	50 to 54, 205	
Individual.....	51 to 80	
" Acceptance Stamp.....		57
" Change of Ledger Keeper.....		77
" Comparison of balances.....		79

Ledger.—Continued.

Individual	Daily comparison of entries.....	74
"	Errors.....	75
"	Inoperative accounts.....	80
Past Due Debt.....		103
Savings Department.....		98 to 112
Legal Proceedings, on account of Customers.....		450
	Under Bill or Deed.....	400
Legal Tenders	See under "Cash".....	243
Letters	" "Correspondence".....	408
Letters of Credit	Daily comparison of entries.....	147
	Expressed in Currency.....	436
	Identity of Payee.....	144, 146
	Long Outstanding.....	148
	Payment of.....	144, 145
	Record of.....	144
Letters of Introduction.....		413
Liabilities of Customers, Book.....		162
	On Sterling Bills Purchased.....	194
Libraries	Branch.....	27, 28
Loans	Against goods.....	328
	Against stocks and bonds.....	328
	Call and Short.....	327, 328
	Time.....	327
Loans and Discounts.....		300 to 352
	Undesirable class of.....	300
London Office	Current Account.....	194, 196
	Dollar account.....	195, 206, 436
Lotteries.....		470

M.

Manager	Absence from duty.....	9, 10
	Cancelling of vouchers.....	46
	Comparison of Cash Book.....	46
	Duty on assuming charge.....	26
	to visit Court when in Britain.....	7
Marks on Bailee Receipts.....		402
Marriage of Officers.....		19
Mercantile Agencies.....		471 to 474
Mercantile Credits.....		398 to 404
	signing of.....	11
Merchandise	Advance against.....	318 to 326
Messengers	Guarantee.....	14
Money Orders	Can. Bankers' Association.....	134 to 142

New York Agency	Branch Accounts with	201 to 204, 223
	Free Balances.....	201
Night Work	Remuneration.....	2
Notes	Bank Legal Tenders.....	257, 275
	Counterfeit.....	256
	Dominion.....	214
Notes of the Bank	Cost of Moving.....	210
	Daily Statement of.....	217
	Mutilated.....	254, 255
	Old Note Circulation.....	252
	Remittances of.....	218
	Torn.....	250
	Unissuable.....	253
	Unsigned.....	251
Notices of Dishonour.....		461

O.

Officers	Absence from duty.....	8, 9, 10
	Agreements.....	13
	Attendance.....	1
	Current Accounts.....	12
	Debt, Gambling, etc.....	18
	Declaration of Secrecy.....	13
	Furlough.....	6, 7
	Guarantee Bonds.....	13, 14
	Holidays.....	3, 4, 5
	Marriage of.....	19
	Night work.....	2
	Outside Trade or Business.....	24
	Perquisites, Fees and Gratuities.....	25
	Signing.....	11
	Travelling expenses.....	15, 16, 17
Overdrafts.....		329 to 331, 491

P.

"Paid" Documents	Stamping of.....	47
Pass Books.....		66, 76
Pass Due Bills.....		155, 165, 384 to 387
	Ledger.....	163
	Written off.....	164
Payments advised by letter.....		211, 422
	from London Office.....	435
	from London Office expressed in currency.....	436

Payments by Advice, etc.	211, 433 to 436
Perquisites, etc. Officers'.....	25
Petty Cash.....	189
Policies	
Fire Insurance.....	454 to 458
Assignment of monies under.....	458
Builder's Risk	456
Loss payable to Bank	457
Postal Cards.....	408
Powers of Attorney.....	60, 463
Procedure Book.....	163, 166
Produce Advances.....	318 to 328
Profit Statement	
Interest on Deposit Receipts.....	97
Progressive Changes in Discount Accounts.....	490
Properties	
Custody of deeds.....	453
Draft of deeds.....	451
Insurance on	454
Unproductive	452
Waivure of.....	314

Q.

Quarterly Balance Book	170
------------------------------	-----

R.

Ratings	
Managers.....	160, 171
Real Estate taken as Security.....	452
Rebate account	191
Reciprocal Arrangements with other Banks.....	307
References to the Bank	460
Remittances.....	46, 258 to 267
Remittances by Registered Mail Insured.....	268 to 284
Reports on European Firms	412
Reserve Account in New York	201 to 203
Reserves of Specie and Legal Tenders	243, 244
Returns	
Monthly.....	478 to 493
Bills of Lading with Sterling Bills.....	485
Cable Transfers.....	304
Charges account	487
Closing of.....	479
Collateral Security	489
Commission account.....	484
Current accounts.....	486
Despatch of.....	493
Enclosures	492

Returns.—Continued.

	Engraved Forms.....	450
	Inspection.....	482
	Interest account.....	484
	Object of.....	478
	Overdrafts.....	331, 491
	Past Due Bills.....	165
	Progressive changes in Discount accounts.....	490
	Renewals.....	488
	Sterling Exchange account.....	484
	Telegraphic Transfers.....	304
Revolvers.....		28, 400
Risk Money.....	Tellers.....	31
S.		
Safe.....		246, 285
	See also "Combination".....	245
	Binder Keys.....	103
Savings Department	Cheques allowed.....	105
	" not to be certified.....	106
	Daily comparison of entries.....	110
	Deposits.....	99
	Description of Depositors.....	102
	Inoperative accounts.....	114
	Interest.....	90, 107
	Ledger.....	98 to 104
	" Keys.....	103
	Maximum and minimum amounts to be received.....	90
	Officers accounts.....	108
	Pass Books.....	109
	" Lost.....	112
	" to be returned.....	111
	Specimen Signatures of Depositors.....	101
	Withdrawals.....	90, 105
	Bank's, Custody of.....	28
	Officers' declaration of.....	13
	Absence of officer responsible for.....	200
Seal	Book.....	173, 175
Secrecy	for safe keeping.....	174, 175
Securities	Ledger accounts.....	178
	May be taken from Trustees.....	464, 465
	Merchandise.....	177
	Stocks and Shares.....	176

Sight and Demand Bills.....	400
Signatures of debit vouchers, defacing of.....	37
Signatures, Specimen, for Merchants Nat'l Bank, New York...	123
Signing of Drafts, Deposit Receipts, etc	11
Silver See under "Cash".....	243
Solicitors Branch.....	402
Speculation by Customers.....	306, 318
Staff Changes to be advised	30
Stamp duty, British.....	334, 343
Stamping of "Paid" Documents.....	47
Statements.....	476
Accountant's duty	26
Information re Overdrafts.....	331
Press Copies of.....	420
Stationery.....	437 to 447
Sterling Bills of Exchange Purchased.....	332 to 345
Bills of Branch Houses.....	332
Bills of Lading.....	330, 485
British Bill Stamps.....	343
Classification of.....	345
Disbursement Bills.....	340
Endorsements.....	335, 336
Fates and Due Dates	338
Liabilities of Customers on.....	194
must not be re-sold.....	342
on Paris.....	334
on Provincial Towns	333
on Scotland.....	337
Returned Bills.....	344
Sterling Exchange Canadian Branches selling in New York	129
Remittance of Demand.....	127
Sterling Transfers made between Branches and Agencies... ..	222, 410
Stock Orders.....	467
Subscriptions.....	188
Superintendent of Central Branches Correspondences	495, 496
Letters	417, 497, 498
Statements.....	490, 500

T.

Telegrams.....	423, 424, 426, 427
Telegraphic Transfers.....	301 to 397
Payments.....	211
Teller Temporary.....	20

Teller's blotter.....	38
box.....	237, 238
cash.....	See under "Cash".
cash book.....	242
cash box.....	34 to 37
irregular payments to.....	231
private cash.....	32
risk money.....	232
Travellers.....	31
Travelling Expenses.....	Letters of Credit..... 407
Treasury Cash.....	Officers'..... 15 to 17
Treasury compartment of Safe.....	See under "Cash".
Treasury Safe Book.....	245
Trustees, accounts with.....	246
	39
	464, 465

U.

Unclaimed Balances.....	113
Undischarged Debtors Book.....	167
Unissuable Notes.....	See under "Notes of this Bank".
	253

V.

Vaults.....	285
Vouchers.....	Accountant's duty..... 28
	Custody of..... 45
	Defacing of signatures..... 37
	Destruction of..... 182
	Old..... 180
	"Paid" stamping of..... 37
	Surrender of..... 64, 71, 72
	To be retained or destroyed..... 181

W.

Warehouse Receipts.....	Advances against..... 320, 321
Waste Book.....	By whom written..... 28, 49
	Contents of..... 49